

PUBLIC CHAPTER 356

HOUSE BILL NO. 2074

By Representatives McMillan, Head, Fitzhugh, Tindell

Substituted for: Senate Bill No. 1994

By Senators Crutchfield, Henry

AN ACT To make appropriations for the purpose of defraying the expenses of the state government for the fiscal years beginning July 1, 2002 and July 1, 2003, in the administration, operation and maintenance of the legislative, executive and judicial branches of the various departments, institutions, offices and agencies of the state; for certain state aid and obligations; for capital outlay, for the service of the public debt, for emergency and contingency; to repeal certain appropriations and any acts inconsistent herewith; to provide provisional continuing appropriations; and to establish certain provisions, limitations and restrictions under which appropriations may be obligated and expended. This act makes appropriations for the purposes described above for the fiscal years beginning July 1, 2002 and July 1, 2003.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. That appropriations hereinafter set out are hereby made for the purpose of defraying the expenses of state government for the fiscal year beginning July 1, 2003, in the administration, operation and maintenance of the legislative, executive and judicial branches of the various departments, institutions, offices and agencies of the state, and for certain state aid and obligations and for capital outlay; for the service of the public debt, and for emergency and contingency, all according to the following schedule:

I. LEGISLATIVE		<u>2003-2004</u>
1.	General Assembly Support Services	\$ 4,408,300.00
2.	General Assembly Committees.....	479,100.00
3.	House of Representatives	11,566,100.00
4.	State Senate	6,067,000.00
5.	Legislative Administration Services.....	4,094,000.00
6.	Tennessee Code Commission	69,600.00
7.	Fiscal Review Committee.....	721,700.00
Total Title I.....		\$ 27,405,800.00
II. JUDICIAL		
1.	Appellate and Trial Courts.....	\$ 42,642,500.00
2.	Supreme Court Buildings	1,927,500.00
3.	Child Support Referees	370,700.00
4.	Guardian ad Litem.....	1,477,700.00
5.	Indigent Defendants' Counsel	16,893,900.00
6.	Civil Legal Representation	3,327,900.00
7.	Verbatim Transcripts	3,403,500.00
8.	Tennessee State Law Libraries.....	524,900.00

9.	Judicial Programs and Commissions	440,100.00
10.	State Court Clerks' Conference.....	177,400.00
11.	Administrative Office of the Courts.....	10,308,700.00
12.	Appellate Court Clerks	300,200.00
13.	Board of Law Examiners	582,600.00
14.	Board of Professional Responsibility.....	2,006,600.00
15.	Tennessee Lawyers Assistance Program.....	209,100.00
16.	Continuing Legal Education	433,000.00
17.	Client Protection Fund.....	208,500.00
	Total Title II	\$ 85,234,800.00

III. EXECUTIVE

1.	Constitutional and Quasi-Judicial Offices	
1.	Attorney General and Reporter	
1.1	Attorney General and Reporter	\$ 14,802,400.00
1.2	Publication of Tennessee Reports	139,500.00
1.3	Special Litigation	188,500.00
	Total Attorney General and Reporter	\$ 15,130,400.00
2.	District Attorneys General	
2.1	District Attorneys General	\$ 42,328,600.00
2.2	District Attorneys General Conference	197,500.00
2.3	Executive Director	1,129,000.00
	Total District Attorneys General	\$ 43,655,100.00
3.	Department of State	
3.1	Secretary of State.....	\$ 6,527,700.00
3.2	State Election Commission	1,669,900.00
3.3	Public Documents	387,700.00
3.4	State Library and Archives	5,979,800.00
3.5	Regional Libraries	6,752,000.00
3.6	Registry of Election Finance.....	299,700.00
3.7	Economic Council on Women	89,000.00
	Total Department of State	\$ 21,705,800.00
4.	Public Defenders	
4.1	District Public Defenders	\$ 21,095,600.00
4.2	Executive Director	662,100.00
4.3	Shelby County Public Defender	2,694,900.00
4.4	Davidson County Public Defender	1,326,700.00
	Total Public Defenders	\$ 25,779,300.00
5.	Comptroller of the Treasury	
5.1	Division of Administration	\$ 635,800.00
5.2	Office of Management Services	5,286,000.00
5.3	Division of State Audit	8,227,700.00
5.4	Division of County Audit	3,731,000.00
5.5	Division of Municipal Audit	1,221,200.00

5.6	Division of Bond Finance.....	320,500.00
5.7	Office of Local Government.....	298,900.00
5.8	Division of Property Assessments.....	7,608,500.00
5.9	Tax Relief	10,000,000.00
5.10	State Board of Equalization.....	2,479,600.00
5.11	Division of Local Finance	341,300.00
5.12	Offices of Research and Education Accountability.....	1,233,900.00
5.13	Office of State Assessed Properties.....	838,800.00
	Total Comptroller of the Treasury.....\$	42,223,200.00
6.	Office of the Post-Conviction Defender	
6.1	Office of the Post-Conviction Defender	\$ 1,061,300.00
	Total Office of the Post-Conviction Defender	\$ 1,061,300.00
7.	Treasury Department	
7.1	Treasurer's Office.....	\$ 81,200.00
7.2	Certified Public Administrators	54,800.00
	Total Treasury Department	\$ 136,000.00
8.	Claims and Compensation	
8.1	Criminal Injuries Compensation.....	\$ 8,125,500.00
	Total Claims and Compensation	\$ 8,125,500.00
	Total Title III-1	\$ 157,816,600.00

The appropriation made under Title III-1, Item 8 may be increased or decreased as realized receipts of the Criminal Injuries Compensation Fund justify, subject to the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 4, Part 51. To the extent that receipts of the fund are insufficient to meet the fund's expenditure requirements, there is hereby appropriated a sum sufficient to the support such expenditures.

2. Executive Offices

1.	Governor's Office	
1.1	Governor's Office.....	\$ 3,339,600.00
1.2	Intergovernmental Conferences	393,000.00
1.3	Office of Homeland Security	777,700.00
	Total Governor's Office	\$ 4,510,300.00
2.	Commissions	
2.1	Commission on Children and Youth.....	\$ 1,542,700.00
2.2	Commission on Aging and Disability	8,669,100.00
2.3	Alcoholic Beverage Commission.....	1,684,800.00
2.4	Human Rights Commission	1,355,400.00
2.5	Health Services and Development Agency	1,257,400.00
2.6	Corrections Institute	598,200.00
2.7	Council of Juvenile and Family Court Judges	416,700.00
2.8	Tennessee Regulatory Authority	6,873,600.00
2.9	Advisory Commission on Intergovernmental Relations	280,000.00
2.10	Arts Commission	3,980,000.00
2.11	State Museum	2,282,900.00

2.12	Tax Structure Study Commission	375,000.00
	Total Commissions	\$ 29,315,800.00
3.	Department of Finance and Administration	
3.1	Division of Administration	\$ 1,155,600.00
3.2	Division of Budget	2,870,800.00
3.3	Office of Information Resources	2,275,000.00
3.4	Criminal Justice Programs	2,310,500.00
3.5	Resource Development and Support	866,700.00
3.6	Capital Projects and Real Property Management	2,393,100.00
3.7	National and Community Service	215,300.00
	Total Department of Finance and Administration	\$ 12,087,000.00
4.	Department of Personnel	
4.1	Executive Administration	\$ 1,723,500.00
4.2	Human Resource Development	801,600.00
4.3	Technical Services	1,772,600.00
	Total Department of Personnel	\$ 4,297,700.00
5.	Department of General Services	
5.1	Administration	\$ 476,000.00
5.2	Motor Vehicle Management	4,219,100.00
5.3	Property Management	1,403,600.00
5.4	Purchasing	22,000.00
	Total Department of General Services	\$ 6,120,700.00
6.	Department of Veterans Affairs	\$ 2,410,600.00
	Total Title III-2	\$ 58,742,100.00
3.	Department of Agriculture	
1.	Administration and Grants	\$ 8,683,000.00
2.	Regulatory Services	9,230,300.00
3.	Market Development	2,348,600.00
4.	Forestry Operations	15,481,100.00
5.	Forestry Maintenance	158,500.00
6.	Certified Cotton Growers' Organization Fund	15,435,000.00
7.	Agricultural Regulatory Fund	2,354,400.00
	Total Title III-3	\$ 53,690,900.00
4.	Department of Tourist Development	
1.	Administration and Marketing	\$ 7,419,000.00
	Total Title III-4	\$ 7,419,000.00
5.	Department of Environment and Conservation	
1.	Administrative Services	\$ 5,576,500.00

2.	Conservation Administration	496,100.00
3.	Historical Commission.....	1,289,300.00
4.	Archaeology	444,000.00
5.	Geology	1,139,600.00
6.	State Parks	26,781,200.00
7.	Natural Heritage	650,700.00
8.	Tennessee State Parks Maintenance	3,400,600.00
9.	Maintenance of Historic Sites.....	185,000.00
10.	West Tennessee River Basin Authority.....	682,600.00
11.	Environment Administration	1,303,700.00
12.	Used Oil Collection Program.....	1,267,100.00
13.	Dry Cleaners Environmental Response Fund.....	2,428,500.00
14.	Air Pollution Control	1,140,400.00
15.	Radiological Health	360,600.00
16.	Water Pollution Control	4,710,600.00
17.	Solid Waste Management	1,547,600.00
18.	Abandoned Lands	500,000.00
19.	Hazardous Waste Remedial Action Fund	1,000,000.00
20.	Water Supply	702,000.00
21.	Groundwater Protection	3,185,700.00
22.	Underground Storage Tanks.....	20,993,300.00
23.	Solid Waste Assistance	9,194,400.00
24.	Environmental Protection Fund.....	35,826,000.00
25.	Community Assistance.....	6,180,600.00
26.	West Tennessee River Basin Authority Maintenance	500,000.00

Total Title III-5.....\$ 131,486,100.00

6. Wildlife Resources Agency

1.	Wildlife Resources Agency	\$ 29,186,300.00
2.	Boating Safety.....	4,846,100.00
3.	Wetlands Compensation Fund.....	211,000.00

Total Title III-6.....\$ 34,243,400.00

The appropriation made under Title III-6 may be increased or decreased as realized receipts of the Wildlife Resources Fund justify, subject to the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 4, Part 51.

7. Department of Correction

1.	Administration	\$ 12,267,200.00
2.	State Prosecutions	100,355,200.00
3.	Correction Academy.....	3,876,500.00
4.	Wayne County Boot Camp.....	8,137,300.00
5.	Brushy Mountain Correctional Complex.....	30,276,700.00
6.	Tennessee Prison for Women.....	15,165,900.00
7.	Turney Center Industrial Prison and Farm	19,408,300.00
8.	Mark Luttrell Correctional Facility	10,611,600.00
9.	Middle Tennessee Correctional Complex	21,455,700.00

10.	Southeastern Tennessee State Regional Correctional Facility	17,204,800.00
11.	Major Maintenance.....	3,493,000.00
12.	West Tennessee State Penitentiary	41,477,600.00
13.	Riverbend Maximum Security Institution.....	18,187,600.00
14.	Northeast Correctional Complex	29,040,500.00
15.	South Central Correctional Center	23,930,100.00
16.	Northwest Correctional Complex	36,659,900.00
17.	Lois M. DeBerry Special Needs Facility	26,881,200.00
18.	Hardeman County Incarceration Agreement.....	31,698,600.00
19.	Sentencing Act of 1985	14,327,200.00
20.	Sex Offender Treatment Program.....	75,000.00
21.	Hardeman County Agreement – Whiteville	25,077,000.00

Total Title III-7.....\$ 489,606,900.00

8. Department of Economic and Community Development

1.	Administrative Services	\$ 4,151,300.00
2.	Industrial Development	3,358,600.00
3.	Business Services	1,199,700.00
4.	Tennessee Industrial Infrastructure Program (TIIP)	13,600,000.00
5.	Community Development.....	3,122,500.00
6.	Energy Division	11,900.00
7.	Industrial Training Service.....	2,354,800.00
8.	Regional Grants Management	1,676,700.00

Total Title III-8.....\$ 29,475,500.00

9. Department of Education

1.	Administrative Services	
1.1	Administration.....	\$ 6,504,200.00
1.2	State Board of Education	630,300.00
	Total Administrative Services	\$ 7,134,500.00
2.	Kindergarten, Elementary and Secondary	
2.1	State Programs	
a.	Curriculum and Instruction.....	\$ 3,036,100.00
b.	Career Ladder	88,480,000.00
c.	BEP and Other LEA Support	2,609,157,000.00
d.	Driver Education.....	1,700,000.00
e.	Training and Professional Development.....	8,022,400.00
f.	Grants-In-Aid	3,946,000.00
g.	Technology, Infrastructure, and Support Systems	2,632,000.00
h.	Accountability	15,635,300.00
	Subtotal State Programs	\$ 2,732,608,800.00
2.2	Federally Funded and Supported Programs	
a.	Improving School Programs	\$ 8,944,000.00
b.	School Nutrition Programs.....	4,805,500.00
c.	Special Education Services	524,900.00

	d. Tennessee Infant-Parent Services School	13,435,400.00
	Subtotal Federally Funded and Supported Programs	\$ 27,709,800.00
	Total Kindergarten, Elementary and Secondary.....	\$ 2,760,318,600.00
3.	Vocational Education	
3.1	Vocational Education Programs	\$ 3,588,000.00
	Total Vocational Education.....	\$ 3,588,000.00
4.	Special Schools	
4.1	Alvin C. York Institute	\$ 3,773,600.00
4.2	Tennessee School for the Blind.....	8,094,100.00
4.3	Tennessee School for the Deaf	11,348,200.00
4.4	West Tennessee School for the Deaf.....	1,792,300.00
4.5	Major Maintenance	239,100.00
	Total Special Schools.....	\$ 25,247,300.00
	Total Title III-9.....	\$ 2,796,288,400.00
10.	Higher Education	
1.	Administration and Support Services	
1.1	Tennessee Higher Education Commission	\$ 1,877,600.00
1.2	Contract Education.....	2,290,100.00
1.3	Tennessee Student Assistance Awards.....	41,208,500.00
1.4	Tennessee Student Assistance Corporation	1,239,600.00
1.5	Loan/Scholarship Programs	1,191,000.00
1.6	Foreign Language Institute.....	271,700.00
1.7	THEC Grants	2,509,600.00
	Total Administration and Support Services.	\$ 50,588,100.00
2.	Excellence Initiatives	
2.1	Academic Scholars Program.....	\$ 251,800.00
2.2	Centers of Excellence	17,024,300.00
2.3	Campus Centers of Emphasis.....	1,222,700.00
	Total Excellence Initiatives	\$ 18,498,800.00
3.	University of Tennessee System	
3.1	Administrative and Other Services	
a.	U.T. University-Wide Administration.....	\$ 2,961,000.00
b.	U.T. Institute for Public Service	4,498,200.00
c.	U.T. Municipal Technical Advisory Service.....	1,397,700.00
d.	U.T. County Technical Assistance Service.....	1,056,900.00
e.	U.T. Space Institute	6,877,600.00
	Subtotal Administrative and Other Services.....	\$ 16,791,400.00
3.2	Agricultural Services	
a.	U.T. Agricultural Experiment Stations.....	\$ 19,538,900.00
b.	U.T. Agricultural Extension Service	23,006,000.00
c.	U.T. Veterinary Medicine	12,738,400.00
	Subtotal Agricultural Services	\$ 55,283,300.00

3.3	Medical Education		
	a. U.T. Memphis	\$	54,359,000.00
	b. U.T. Family Medicine		5,936,600.00
	c. U.T. College of Medicine		39,247,400.00
	Subtotal Medical Education	\$	99,543,000.00
3.4	University Campuses		
	a. U.T. Chattanooga	\$	36,654,600.00
	b. U.T. Knoxville		151,851,500.00
	c. U.T. Martin		25,958,900.00
	Subtotal University Campuses	\$	214,465,000.00
	Total University of Tennessee System	\$	386,082,700.00
4.	Tennessee Board of Regents System		
4.1	Administration		
	a. Tennessee Board of Regents	\$	3,601,600.00
	Subtotal Administration	\$	3,601,600.00
4.2	Medical Education		
	a. East Tennessee State University - College of Medicine	\$	22,401,600.00
	b. East Tennessee State University - Family Practice		3,964,100.00
	Subtotal Medical Education	\$	26,365,700.00
4.3	Regional Universities		
	a. Austin Peay State University	\$	28,472,300.00
	b. East Tennessee State University		49,255,300.00
	c. University of Memphis		97,374,100.00
	d. Middle Tennessee State University		77,973,300.00
	e. Tennessee State University		35,047,000.00
	f. Tennessee Technological University		39,155,400.00
	Subtotal Regional Universities	\$	327,277,400.00
4.4	Community Colleges		
	a. Southwest Tennessee Community College	\$	33,132,500.00
	b. Nashville State Technical Community College		12,340,500.00
	c. Pellissippi State Technical Community College		17,242,700.00
	d. Northeast State Technical Community College		9,990,300.00
	e. Chattanooga State Technical Community College		20,006,800.00
	f. Cleveland State Community College		8,738,800.00
	g. Columbia State Community College		10,857,000.00
	h. Dyersburg State Community College		5,781,300.00
	i. Jackson State Community College		10,212,600.00
	j. Motlow State Community College		8,450,000.00
	k. Roane State Community College		15,074,600.00
	l. Volunteer State Community College		14,821,100.00
	m. Walters State Community College		15,041,100.00
	Subtotal Community Colleges	\$	181,689,300.00

4.5	Technology Centers		
	a. Tennessee Technology Centers	\$	40,355,300.00
	Subtotal Technology Centers	\$	40,355,300.00
4.6	Agricultural Center		
	a. TSU McMinnville Center	\$	437,000.00
	Subtotal Agricultural Center	\$	437,000.00
	Total Tennessee Board of Regents System.....	\$	579,726,300.00
5.	Higher Education System-Wide Programs		
5.1	Geier Desegregation Settlement	\$	11,265,000.00
	Total Higher Education System-Wide Programs	\$	11,265,000.00
	Total Title III-10.....	\$	1,046,160,900.00
11.	Department of Commerce and Insurance		
1.	Insurance	\$	3,309,700.00
2.	Consumer Affairs		704,100.00
3.	Fire Fighting Personnel Standards and Education.....		2,307,500.00
4.	911 Emergency Communications Fund		26,356,700.00
5.	Regulatory Boards		14,072,600.00
5.1	Real Estate Education and Recovery Fund.....		279,700.00
5.2	Auctioneer Education and Recovery Fund		74,900.00
6.	Fire and Codes Enforcement Academy		4,007,200.00
7.	Fire Prevention.....		55,800.00
	Total Title III-11	\$	51,168,200.00
12.	Department of Financial Institutions	\$	5,492,500.00
	Total Title III-12	\$	5,492,500.00

The appropriation made under Title III-12 may be increased or decreased as realized receipts justify, subject to the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 4, Part 51.

13.	Department of Labor and Workforce Development		
1.	Administration	\$	2,072,800.00
2.	Tennessee Occupational Safety and Health Administration (TOSHA)		4,095,200.00
3.	Workers' Compensation		6,528,400.00
4.	Mines		370,900.00
5.	Labor Standards.....		1,008,700.00
6.	Second Injury Fund		5,195,900.00
7.	Adult Basic Education		3,227,100.00
8.	Employment Development		300,000.00
9.	Uninsured Employers Fund.....		257,000.00

Total Title III-13.....		\$ 23,056,000.00
14.	Department of Mental Health and Developmental Disabilities	
1.	Administration	
1.1	Administrative Services Division.....	\$ 7,573,600.00
	Total Administration.....	\$ 7,573,600.00
2.	Mental Health Services	
2.1	Mental Health Services Administration.....	\$ 1,975,300.00
2.2	Lakeshore Mental Health Institute	11,604,700.00
2.3	Middle Tennessee Mental Health Institute	12,142,400.00
2.4	Western Mental Health Institute	10,737,300.00
2.5	Moccasin Bend Mental Health Institute	8,183,000.00
2.6	Memphis Mental Health Institute	9,906,100.00
2.7	Community Mental Health Services	42,993,500.00
2.8	Major Maintenance	750,000.00
	Total Mental Health Services	\$ 98,292,300.00
Total Title III-14.....		\$ 105,865,900.00
15.	Department of Military	
1.	Administration	\$ 1,565,700.00
2.	Army National Guard.....	882,500.00
3.	Air National Guard.....	1,472,000.00
4.	Tennessee Emergency Management Agency	2,902,400.00
5.	Armories Maintenance	736,700.00
6.	Armories Utilities	1,764,800.00
Total Title III-15.....		\$ 9,324,100.00
16.	Department of Health	
1.	Administration	
1.1	Executive Administration	\$ 4,494,600.00
1.2	Administrative Services	2,428,800.00
1.3	Division of Technology	3,287,400.00
1.4	Policy Planning and Assessment	4,459,100.00
	Total Administration.....	\$ 14,669,900.00
2.	Manpower Resources and Facilities	
2.1	Health Licensure and Regulation	\$ 3,602,000.00
2.2	Emergency Medical Services	514,600.00
2.3	Laboratory Services	7,334,400.00
2.4	Health Related Boards	9,895,200.00
	Total Manpower Resources and Facilities.....	\$ 21,346,200.00
3.	Community Health Services	
3.1	Health Services Administration	\$ 3,603,000.00

3.2	General Environmental Health	9,218,800.00
3.3	Maternal and Child Health	2,781,300.00
3.4	Communicable and Environmental Disease Services	3,782,700.00
3.5	Population-Based Services	8,988,800.00
	Total Community Health Services	\$ 28,374,600.00
4.	Local Health	
4.1	Local Health Services	\$ 23,177,500.00
	Total Local Health	\$ 23,177,500.00
5.	Alcohol and Drug Abuse Services	
5.1	Alcohol and Drug Abuse Services	\$ 10,914,600.00
	Total Alcohol and Drug Abuse Services	\$ 10,914,600.00
	Total Title III-16	\$ 98,482,800.00
17.	Department of Human Services	
1.	Administration	
1.1	Administration	\$ 19,851,400.00
1.2	Field Operations	7,357,200.00
1.3	County Rentals	5,419,000.00
	Total Administration	\$ 32,627,600.00
2.	Family Assistance Services	
2.1	Child Support	\$ 15,130,100.00
2.2	Family Assistance Services	70,134,000.00
	Total Family Assistance Services	\$ 85,264,100.00
3.	Social Services	
3.1	Community Services	\$ 26,659,000.00
	Total Social Services	\$ 26,659,000.00
4.	Rehabilitative Services	
4.1	Vocational Rehabilitation	\$ 7,452,900.00
	Total Rehabilitative Services	\$ 7,452,900.00
	Total Title III-17	\$ 152,003,600.00
18.	Department of Revenue	
1.	Administration Division	\$ 5,450,200.00
2.	Tax Enforcement Division	4,033,700.00
3.	Information Technology Resources Division	7,702,700.00
4.	Taxpayer Services Division	4,884,500.00
5.	Processing Division	4,716,800.00
6.	Audit Division	14,614,700.00
	Total Title III-18	\$ 41,402,600.00
19.	Tennessee Bureau of Investigation	\$ 24,933,700.00

Total Title III-19.....		\$ 24,933,700.00
20. Department of Safety		
1.	Administration	\$ 5,695,600.00
2.	Driver License Issuance	1,714,300.00
3.	Highway Patrol	72,848,600.00
4.	Motorcycle Rider Education	181,000.00
5.	Motor Vehicle Operations	7,130,100.00
6.	Driver Education	229,100.00
7.	Law Enforcement Training Academy	2,467,600.00
8.	POST Commission	6,681,500.00
9.	Titling and Registration	20,329,100.00
10.	Major Maintenance	200,000.00
11.	Technical Services	1,800,900.00
12.	CID Anti-Theft Unit	732,500.00
Total Title III-20.....		\$ 120,010,300.00
21. Miscellaneous Appropriations		
1.	Consolidated Retirement System	
1.1	County Officials and County Judges Retirement Contribution	\$ 8,400,000.00
1.2	Former Governors and Widows of Former Governors - Pensions	170,000.00
1.3	General Sessions Judges Retirement	125,000.00
2.	State Employees' Unemployment Compensation, Sick Leave, Death Benefit Payments and Terminal Leave Payments	200,000.00
2.1	TCRS – Line of Duty Death Benefits	10,000.00
3.	Insurance - Retirees	
3.1	Retirees Health Insurance	7,550,000.00
3.2	Retired Teachers Insurance	8,018,000.00
4.	State School Bond Authority - Debt Service	40,300.00
5.	Attorney's Fees - Civil Rights Cases	500,000.00
6.	Special Election Reimbursement to Counties	130,000.00
7.	Disaster Relief Grants	1,750,100.00
8.	Criminal Justice Programs	1,189,600.00
9.	Tennessee Association of Rescue Squads	71,300.00
10.	YMCA Youth Legislature	25,000.00
11.	Homeland Security Emergency Fund	3,000,000.00
12.	Forensic Center at Quillen College of Medicine	100,000.00
13.	Finance and Administration – Special Projects	600,000.00
14.	LAN Consolidation	242,700.00
15.	State Employee Classification Compensation	429,500.00
16.	Deferred Compensation – 401K match – state employees	2,829,000.00
17.	Board of Claims - Premiums	9,500,000.00

18.	Rent Adjustments	695,500.00
19.	Performance Based Budgeting – 2002 PC 875	536,200.00
20.	Presidential Primary	3,500,000.00
21.	State Employee 1/1/03 Salary Increase Annualized	22,928,600.00
22.	Group Health Insurance Premium – 1/1/03.....	60,100,000.00
23.	Group Health Insurance Premium – 1/1/04.....	10,400,000.00

Total Title III-21\$ 143,040,800.00

22. Department of Children's Services

1.	Administration	\$ 24,212,200.00
2.	Family Support Services	27,567,600.00
3.	Custody Services	86,284,500.00
4.	Adoption Services	16,179,300.00
5.	Child and Family Management	54,640,900.00
6.	John S. Wilder Youth Development Center	8,908,700.00
7.	Taft Youth Development Center.....	11,143,800.00
8.	Woodland Hills Youth Development Center	11,280,000.00
9.	Mountain View Youth Development Center	9,650,700.00
10.	Community Treatment Facilities.....	6,764,200.00
11.	Tennessee Preparatory School.....	1,792,600.00
12.	Major Maintenance.....	420,100.00

Total Title III-22.....\$ 258,844,600.00

23. Board of Probation and Parole

1.	Probation and Parole Services.....	\$ 45,368,500.00
2.	Community Correction	8,562,000.00

Total Title III-23.....\$ 53,930,500.00

24. Department of Finance and Administration – Mental Retardation

1.	Mental Retardation Administration	\$ 3,120,300.00
2.	Developmental Disabilities Council	144,900.00
3.	Community Mental Retardation Services.....	67,468,500.00
4.	West Tennessee Region	4,750,500.00
5.	Middle Tennessee Region	8,908,600.00
6.	East Tennessee Region.....	2,919,300.00

Total Title III-24.....\$ 87,312,100.00

25. Department of Finance and Administration – TennCare Program

1.	TennCare Administration	\$ 71,653,800.00
2.	TennCare Services	1,505,518,200.00
3.	Waiver and Crossover Services.....	235,515,000.00
4.	Long Term Care Services	415,392,000.00

Total Title III-25.....	\$ 2,228,079,000.00
26. Emergency and Contingency Fund	\$ 819,300.00
Total Title III-26.....	\$ 819,300.00

The Emergency and Contingency Fund may be used for any purpose authorized by law to be allowed on Executive Order of the Governor; provided, however, the Emergency and Contingency Fund shall not be used to fund any law requiring the expenditure of state funds unless an appropriation is made elsewhere for the estimated first year's funding.

27. Major Maintenance and Equipment	
1. State Building Commission	\$ 250,000.00
Total Title III-27	\$ 250,000.00
28. Facilities Revolving Fund	
1. General Services Operating Maintenance	\$ 321,600.00
Total Title III-28	\$ 321,600.00
29. Department of Transportation	

There is hereby appropriated for the use of the Department of Transportation such receipts of highway revenues as are now provided by law, or may hereafter be so provided, to accrue to that department during the fiscal year, beginning July 1, 2003, to be expended by the Commissioner of Transportation, all according to the following schedule:

	<u>2003-2004</u>
1. Administration	
1.1 Headquarters.....	\$ 13,630,000.00
1.2 Bureau of Administration	30,347,000.00
1.3 Bureau of Engineering.....	28,704,000.00
1.4 Field Engineering	26,703,000.00
1.5 Insurance Premiums	8,490,000.00
Total Administration.....	\$ 107,874,000.00
2. Equipment Purchases and Operations	\$ 17,873,000.00
3. Highway Maintenance	\$ 281,626,000.00
4. State Construction	
4.1 Highway Betterments	\$ 5,700,000.00
4.2 State Aid.....	27,922,000.00
4.3 State Industrial Access	10,815,000.00
4.4 Local Interstate Connectors	1,475,000.00
4.5 Capital Improvements	7,374,000.00
Total State Construction	\$ 53,286,000.00

5.	Federal Construction		
5.1	Mass Transit.....	\$	28,188,000.00
5.2	Planning and Research		7,700,000.00
5.3	Interstate Construction		13,025,000.00
5.4	Forest Highways.....		200,000.00
5.5	State Highway Construction		157,578,000.00
5.6	Bridge Replacement.....		5,000,000.00
5.7	Air, Water, and Rail Transportation		24,500,000.00
	Total Federal Construction	\$	236,191,000.00
	Total Title III-29.....	\$	696,850,000.00

Said funds so appropriated shall be obligated and expended under the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 4, Part 51. There is further appropriated to the Department of Transportation such departmental revenue, expressly including federal matching funds, as may accrue to the department.

The "Proposed Highway Program for Fiscal Year 2003-2004", prepared by the Department of Transportation as a supplement to and as "Supporting Data for the Budget Request", is hereby incorporated into and made a part of the Appropriations Act.

Whenever a determination is made that one or more of the projects in the approved program cannot be proceeded with, the Commissioner of Transportation shall furnish, in written form as prescribed by the Chairmen of the Finance, Ways and Means Committees of the Senate and House and the Chairmen of the Transportation Committees of the Senate and House, the reasons for such proposed cancellation or rescheduling of said project, together with a recommendation for a substitute project. The notice of cancellation or rescheduling of said project shall be submitted to the Speaker of the Senate, the Speaker of the House of Representatives, the Chairmen of the Finance, Ways and Means Committees of the Senate and House, the Chairmen of the Transportation Committees of the Senate and House and to the individual Senator and Representative in whose districts the canceled project or proposed substitution is located.

From the funds appropriated above in Item 4.2, State Aid, the sum of \$9,600,000.00 is allocated for the purpose of funding the state's seventy percent (70%) share of the project cost of the 1990 Bridge Grant Program. For the fiscal 2003-2004 budget, the state shall fund a seventy percent (70%) share of this program and local governments shall be responsible for funding the remaining thirty percent (30%), as set forth in Tennessee Code Annotated, Title 54, Chapter 4, Part 5.

For the fiscal year beginning July 1, 2003, the Commissioner of Transportation shall distribute this money among the ninety-five (95) county geographical areas of the State according to the following formula:

One-half of the funds shall be distributed equally, and one-half shall be distributed on the basis of structural needs. Structural needs shall be determined by calculating the ratio of linear feet of bridges with a load rating of less than ten tons, in each county geographical area, located on public roads other than those on a federal-aid system or the state system of highways, to the total linear feet of like bridges in the State.

30. State Funding Board

There is hereby appropriated to the State Funding Board for interest and reduction of the state debt, for debt service expense and interest on proposed bond authorization:

		<u>2003-2004</u>
1.	Interest on State Debt	\$ 45,918,000.00
2.	Retirement of Bonds	73,847,000.00
3.	Debt Service Expense.....	1,000,000.00
4.	Amortization of Authorized and Unissued Construction Bonds	33,665,330.00
5.	Amortization of Authorized and Unissued Highway Bonds	74,000,000.00
	Total Title III-30.....	\$ 228,430,330.00

The appropriation made under Section 1, Title III-30, Items 1, 2, 3, 4 and 5 is made under the provisions of Tennessee Code Annotated, Title 9, Chapter 9, and may be increased to such amounts as will be necessary to carry out such provisions.

31. Capital Outlay--Sinking Fund

There is hereby appropriated for the fiscal year beginning July 1, 2003, to the Sinking Fund from the receipts of the tax levied by Tennessee Code Annotated, Title 67, Chapter 4, Part 20, "The Excise Tax Law", an amount to be determined by the State Funding Board.

SECTION 2. Capital Outlay and Major Maintenance

Item 1. Any funds appropriated by this General Assembly for capital outlay, capital maintenance and major maintenance shall not revert to the general fund but shall remain available until expended. It is the intent of the General Assembly that funds of capital outlay nature shall remain available until expended for the purpose for which the appropriations were made.

Item 2. Any unexpended capital outlay or capital maintenance funds appropriated by previous General Assemblies for completed or discontinued projects shall be accumulated in a capital account to be administered by Finance and Administration. Expenditure of these funds is subject to approval by the State Building Commission upon recommendation by the Commissioner of Finance and Administration of each project to be provided for from said funds.

Item 3. From the appropriations made to the State Funding Board in Section 1, Title III-30, the Funding Board is hereby authorized to allocate and provide to the Capital Projects Fund such funds not required for debt service during fiscal year 2003-2004 for projects duly authorized and approved by the General Assembly; provided, however, that when the Funding Board allocates funds under this provision, any other appropriation or bond authorization for said purpose is hereby reduced accordingly.

Item 4. From the funds appropriated for capital outlay in this act and other acts of the legislature, the Commissioner of Finance and Administration, with the approval of the

State Building Commission, is authorized to charge the administrative costs of the construction programs to the capital outlay appropriations or to transfer from the Capital Projects Fund to the general fund an amount sufficient to cover those costs. Such expenditures shall be from non-bond proceeds.

Item 5. From the funds appropriated for capital outlay in this act and other acts of the legislature, the Commissioner of Finance and Administration is authorized to establish and charge the costs of design and engineering positions to the capital outlay appropriations or to transfer from the Capital Projects Fund to the general fund an amount sufficient to cover these costs. This item is subject to approval by the State Building Commission.

Item 6. From the funds appropriated for capital outlay in this act and other acts of the legislature, the Commissioner of Finance and Administration, with the approval of the State Building Commission, is authorized to transfer the appropriations for capital outlay to the Department of Finance and Administration to provide for the centralized administration of capital outlay. It is further the legislative intent to allow for centralized administration of any project recommended by the Commissioner of Finance and Administration and approved by the State Building Commission.

Item 7. To the extent that the accumulated yearly interest and earnings of the Natural Resources Trust Fund are available through June 30, 2003, said funds are hereby appropriated to the Department of Environment and Conservation to be available for projects which are reviewed and evaluated under procedures established by the authority of Tennessee Code Annotated, Section 11-14-308.

Item 8. There is hereby appropriated to the Department of Mental Health and Developmental Disabilities the proceeds from the sale of any real property and facilities being used by the department. The appropriation shall be available to fund the department's master plan for facilities subject to approval by the State Building Commission.

This appropriation is made notwithstanding the provisions of Section 20 of this act and the provisions of Tennessee Code Annotated, Title 54, Chapter 2, Part 2 to the contrary.

Item 9. There is hereby appropriated to the Department of Military the proceeds from the sale of any real property and facilities being used by the department. The appropriation shall be available to fund replacement facilities for the department subject to approval by the State Building Commission.

This appropriation is made notwithstanding the provisions of Section 20 of this act and the provisions of Tennessee Code Annotated, Title 54, Chapter 2, Part 2 to the contrary.

Item 10. Other provisions of the law to the contrary notwithstanding, any proceeds from the sale of surplus land and real property in Davidson County are hereby reappropriated to the Department of Finance and Administration to provide for the state's office space and support facilities requirements in Davidson County.

This appropriation is made notwithstanding the provisions of Section 20 of this act and the provisions of Tennessee Code Annotated, Title 54, Chapter 2, Part 2 to the contrary. Any reappropriation made pursuant to the provisions of this item is subject to the approval of the State Building Commission.

Item 11. There is hereby transferred to the Capital Projects Fund a sum not to exceed \$2,534,641 from the reserve to be carried forward at June 30, 2003 for the Department of Correction, Sentencing Act of 1985, to fund the department's capital outlay program as presented in the 2003-2004 Budget Document. The appropriation and transfer of funds are made under the provisions of Tennessee Code Annotated, Section 9-4-210.

Item 12. From the appropriation made in Section 1, Title III-7 to the Department of Correction, Sentencing Act of 1985, there is hereby reappropriated to the department for capital outlay purposes the sum of \$4,180,359. There is further reappropriated the balance of the appropriation for Sentencing Act of 1985 to the State Funding Board for debt service requirements on authorized and unissued construction bonds for the department and the board is directed to cancel bonds in said amount.

Other appropriations made under this act to the Department of Correction, Sentencing Act of 1985, are hereby reappropriated to the department for major maintenance and capital outlay purposes or to cancel bonds. The appropriation and transfer of funds authorized in this item are made under the provisions of Tennessee Code Annotated, Section 9-4-210.

Item 13. From the unexpended balance of the reserve authorized under the provisions of Tennessee Code Annotated, Section 12-2-117, there is hereby appropriated the sum of \$2,000,000 to fund the new facility planning and design for Lakeshore and Western mental health institutes as presented in the 2003-2004 Budget Document.

Item 14. From the unexpended balances of funds appropriated and allotted for capital maintenance by previous General Assemblies, there is hereby reappropriated the sum of \$9,000,000 to the Department of Finance and Administration to fund the statewide capital maintenance program as presented in the 2003-2004 Budget Document.

Item 15. The following capital outlay project is in addition to the projects listed on page A-133 of the 2003-2004 Budget Document:

State Veterans Home Board	
East Tennessee Veterans Home	\$ 16,400,000
Federal Grant	\$ 10,660,000
Other Revenue	5,740,000

Funding for this project is a grant from the U.S. Department of Veterans Affairs and matching funds from Knox County.

SECTION 3.

Item 1. Appropriations made under Section 1, Titles III-11 and III-16 for the operation of the state regulatory boards, shall be subject to allotment by the Commissioner of Finance and Administration, and no expenditure shall be made by any said boards out of fees collected by them unless and until such allotments have been made by the Commissioner of Finance and Administration. Such allotments for the operation of said respective boards as are made by the Commissioner of Finance and Administration shall be disbursed under the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 4, Part 51.

The allotment hereinabove provided shall be subject to the condition that no money shall be paid therefrom for the salary of any employee of said boards unless and until such salary has been approved by the Commissioner of Personnel. The appointment of all employees of said boards shall likewise be approved by the Commissioner of Personnel.

Notwithstanding any provision of law to the contrary, no member of any board or commission established by law or pursuant to law, which receives an appropriation under this act, regardless of the source of funding, shall receive any compensation, whether denominated per diem or by whatever name called, except for days in which such member actually works four (4) or more hours performing duties directly relating to that board's or commission's activities, or for time or days spent attending meetings of that board or commission. The chairman or head of each board or commission, the department head to which such board or commission is attached administratively, and the Commissioner of Finance and Administration, shall prescribe procedures to contain, as a minimum, a certification of time worked by each member claiming compensation.

Item 2. Except as otherwise provided in this section, the appropriations to the Wildlife Resources Agency under Section 1, Title III-6 shall be paid out of the special fund established under Tennessee Code Annotated, Title 70, Chapter 1, Part 4 and Section 69-10-203. Such appropriations shall be expended under the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 4, Part 51, and shall be used only for the expenses of the Wildlife Resources Agency pursuant to Tennessee Code Annotated, Title 70 and Title 69, Chapter 10, Part 2, and no part of the unexpended fund left at the end of the fiscal year shall be used for any other purpose but shall be carried over in said fund and may be expended during the next year, and all of said fees and revenues provided by Tennessee Code Annotated, Title 70 and Title 69, Chapter 10, Part 2, are herein specifically apportioned and appropriated to the use and for the benefit of the Wildlife Resources Agency to be expended under the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 4, Part 51. Nothing in this item shall be construed as relieving the Wildlife Resources Agency of the duty of policing littering of lakes and streams.

Item 3. The appropriation to the State Board of Law Examiners in Section 1, Title II, Item 13, shall be from funds generated by fees collected by the board under the provisions of Tennessee Code Annotated, Title 23, Chapter 1.

In case the appropriation to the board shall prove inadequate to allow the board to function efficiently, the Commissioner of Finance and Administration may make an additional allotment thereto from the general fund, the total of all allotments to the board not to exceed the revenues paid into the treasury by the board.

Item 4. The appropriation to the Department of Financial Institutions in Section 1, Title III-12, shall be derived from banking fees assessed pursuant to Tennessee Code Annotated, Title 45, Chapter 1, Part 1. No part of the unexpended fees left at the end of the fiscal year shall revert to the general fund.

DEPARTMENTAL REVENUES

SECTION 4. All departmental revenue of every kind, as hereinafter defined, collected by any department, institution, office, or agency, in the course of its operations, for its own use, are hereby appropriated to it in addition to the specific appropriations made by this act, unless otherwise provided in this act or other provision of law. Federal aid funds granted to the state for the use of or to be administered by any department, institution, or agency, are likewise appropriated. For the purpose of this section "departmental revenues" are defined as (1) earnings or charges for goods or services; (2) donations, contributions or participation by political subdivisions, foundations, corporations, firms or persons. State revenues, in contradistinction to departmental revenues, are the proceeds of taxes, licenses, fees, fines, forfeiture or other imposts laid specifically by law.

Notwithstanding any provision of the previous paragraph, the Department of Health shall deposit all funds generated by fees or taxes collected by such entity in the general fund of the state. Any appropriations for the operation of such entity shall be subject to allotment by the Commissioner of Finance and Administration, and no expenditure shall be made by any such entity out of fees or taxes collected by it, unless and until such allotments have been made by the Commissioner of Finance and Administration. Such allotments for the operation of such entity as are made by the Commissioner of Finance and Administration shall be disbursed under the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 4, Part 51.

The departmental revenues and federal aid funds appropriated under this act shall include the amounts hereinafter set out:

I. LEGISLATIVE		<u>2003-2004</u>
1.	Legislative Administration Services.....	\$ 258,700.00
2.	House of Representatives	28,500.00
3.	State Senate	22,000.00
4.	General Assembly Support Services	1,293,500.00
5.	Fiscal Review Committee.....	51,500.00
Total Title I.....		\$ 1,654,200.00
II. JUDICIAL		
1.	Appellate and Trial Courts.....	\$ 27,300.00
2.	Supreme Court Buildings	611,500.00
3.	Child Support Referees	758,800.00
4.	Indigent Defendants' Counsel	5,000.00
5.	Tennessee State Law Libraries.....	10,000.00
6.	Appellate Court Clerks	1,525,900.00
7.	Judicial Programs and Commissions	40,000.00
8.	Administrative Office of the Courts.....	378,700.00

9.	Judicial Conference.....	59,500.00
	Total Title II	\$ 3,416,700.00

III. EXECUTIVE

1.	Constitutional and Quasi-Judicial Offices	
1.	Attorney General and Reporter	
1.1	Attorney General and Reporter	\$ 10,735,800.00
1.2	Special Litigation	784,000.00
	Total Attorney General and Reporter	\$ 11,519,800.00
2.	District Attorneys General	
2.1	District Attorneys General	\$ 1,629,700.00
2.2	District Attorneys General Conference	89,000.00
2.3	Executive Director	528,200.00
2.4	IV-D Child Support Enforcement	10,312,100.00
	Total District Attorneys General	\$ 12,559,000.00
3.	Department of State	
3.1	Secretary of State.....	\$ 6,303,700.00
3.2	Public Documents	120,000.00
3.3	State Library and Archives	2,921,600.00
3.4	Regional Library System	699,000.00
3.5	Library Construction	400,000.00
3.6	Registry of Election Finance.....	24,000.00
3.7	Economic Council on Women	68,000.00
	Total Department of State	\$ 10,536,300.00
4.	Public Defenders	
4.1	District Public Defenders	\$ 583,500.00
	Total Public Defenders	\$ 583,500.00
5.	Comptroller of the Treasury	
5.1	Division of Administration	\$ 101,900.00
5.2	Office of Management Services	208,500.00
5.3	Capitol Print Shop	1,396,700.00
5.4	Division of State Audit	4,203,800.00
5.5	Division of County Audit	2,750,000.00
5.6	Division of Municipal Audit	215,000.00
5.7	Division of Bond Finance.....	411,000.00
5.8	Division of Property Assessments	1,615,000.00
5.9	State Board of Equalization	12,500.00
5.10	Offices of Research and Education Accountability.....	552,600.00
	Total Comptroller of the Treasury	\$ 11,467,000.00
6.	Treasury Department	
6.1	Treasurer's Office	\$ 16,256,400.00
	Total Department of Treasury.....	\$ 16,256,400.00

7.	Claims and Compensation		
7.1	Criminal Injuries Compensation.....	\$	4,451,000.00
7.2	Claims Award Fund		44,396,200.00
7.3	Unclaimed Property		13,275,000.00
7.4	Risk Management		2,189,200.00
	Total Claims and Compensation	\$	64,311,400.00
	Total Title III-1	\$	127,233,400.00
2.	Executive Offices		
1.	Commissions		
1.1	Commission on Children and Youth	\$	9,357,500.00
1.2	Commission on Aging and Disability		27,669,800.00
1.3	Alcoholic Beverage Commission		2,193,000.00
1.4	Human Rights Commission		433,900.00
1.5	Advisory Commission on Intergovernmental Relations		1,806,200.00
1.6	Council of Juvenile and Family Court Judges		45,000.00
1.7	Tennessee Housing Development Agency		264,350,900.00
1.8	Arts Commission		631,500.00
1.9	Tennessee Regulatory Authority		354,100.00
1.10	Health Services and Development Agency		12,400.00
1.11	Corrections Institute		15,000.00
1.12	Tennessee Rehabilitative Initiative in Correction.....		24,758,300.00
1.13	State Museum.....		50,000.00
	Total Commissions	\$	331,677,600.00
2.	Department of Finance and Administration		
2.1	Division of Administration	\$	8,876,200.00
2.2	Office of Information Resources		135,039,900.00
2.3	Insurance Administration		4,311,800.00
2.4	Division of Accounts		10,406,000.00
2.5	Criminal Justice Programs.....		27,357,200.00
2.6	Resource Development and Support		5,004,000.00
2.7	Capital Projects and Real Property Management		3,673,800.00
2.8	National and Community Service		5,129,500.00
	Total Department of Finance and Administration	\$	199,798,400.00
3.	Department of Personnel		
3.1	Executive Administration	\$	610,300.00
3.2	Human Resource Development		1,845,000.00
3.3	Technical Services		1,918,600.00
	Total Department of Personnel	\$	4,373,900.00
4.	Department of General Services		
4.1	Administration.....	\$	3,451,500.00
4.2	Postal Services.....		15,093,600.00
4.3	Property Utilization		1,665,500.00
4.4	Motor Vehicle Management		29,734,400.00
4.5	Property Management.....		10,594,700.00
4.6	Printing		4,451,900.00

4.7	Purchasing	4,066,500.00
4.8	Systems Management.....	1,880,400.00
4.9	Central Stores	4,258,900.00
4.10	Records Management	1,220,400.00
4.11	Food Services Program.....	4,784,700.00
	Total Department of General Services	\$ 81,202,500.00
5.	Department of Veterans Affairs	\$ 442,700.00
	Total Title III-2.....	\$ 617,495,100.00
3.	Department of Agriculture	
1.	Administration and Grants.....	\$ 4,588,000.00
2.	Regulatory Services	5,931,900.00
3.	Market Development	262,100.00
4.	Forestry Operations	7,575,800.00
5.	Agricultural Resources Conservation Fund.....	100,000.00
6.	Grain Indemnity Fund.....	126,700.00
7.	Agricultural Regulatory Fund.....	120,000.00
	Total Title III-3.....	\$ 18,704,500.00
4.	Department of Tourist Development	
1.	Administration and Marketing.....	\$ 10,000.00
2.	Welcome Centers.....	4,330,400.00
	Total Title III-4.....	\$ 4,340,400.00
5.	Department of Environment and Conservation	
1.	Administrative Services	\$ 5,978,400.00
2.	Conservation Administration	4,554,400.00
3.	Historical Commission.....	630,100.00
4.	Land and Water Conservation Fund	750,000.00
5.	Archaeology	205,200.00
6.	Geology	155,600.00
7.	State Parks.....	33,910,600.00
8.	Natural Heritage	383,800.00
9.	State Parks Maintenance	134,600.00
10.	Elk River Resource Management	1,094,300.00
11.	West Tennessee River Basin Authority.....	284,900.00
12.	Environment Administration	3,367,900.00
13.	Air Pollution Control	9,403,000.00
14.	Radiological Health	4,472,500.00
15.	Water Pollution Control	9,902,600.00
16.	Solid Waste Management	7,907,800.00
17.	DOE Oversight.....	6,008,100.00
18.	Hazardous Waste Remedial Action Fund	9,893,600.00
19.	Water Supply	5,111,300.00

20.	Groundwater Protection	6,110,300.00
21.	Underground Storage Tanks	2,300,800.00
22.	Community Assistance.....	45,331,500.00
23.	Used Oil Collection Program	234,000.00

Total Title III-5.....\$ 158,125,300.00

6. Wildlife Resources Agency

1.	Wildlife Resources Agency	\$ 17,031,100.00
2.	Boating Safety	2,483,200.00

Total Title III-6.....\$ 19,514,300.00

7. Department of Correction

1.	Administration	\$ 4,661,300.00
2.	Correction Academy.....	158,800.00
3.	Wayne County Boot Camp.....	342,500.00
4.	Brushy Mountain Correctional Complex.....	1,144,900.00
5.	Tennessee Prison for Women.....	970,300.00
6.	Turney Center Industrial Prison and Farm	869,600.00
7.	Mark Luttrell Correctional Facility	542,000.00
8.	Middle Tennessee Correctional Complex	1,131,800.00
9.	Southeastern Tennessee State Regional Correctional Facility	718,100.00
10.	West Tennessee State Penitentiary	1,291,100.00
11.	Riverbend Maximum Security Institution.....	396,900.00
12.	Northeast Correctional Complex	1,286,500.00
13.	South Central Correctional Center	18,700.00
14.	Northwest Correctional Complex	1,535,400.00
15.	Lois M. DeBerry Special Needs Facility	367,400.00
16.	Hardeman County Incarceration Agreement.....	18,900.00
17.	Federal Construction Grants	15,310,000.00
18.	Hardeman County Agreement – Whiteville.....	18,700.00

Total Title III-7.....\$ 30,782,900.00

8. Department of Economic and Community Development

1.	Administrative Services	\$ 249,900.00
2.	Industrial Development	1,340,000.00
3.	Regional Grants Management	32,019,500.00
4.	Business Services	461,700.00
5.	Community Development.....	1,306,500.00
6.	Energy Division	2,610,100.00
7.	Tennessee Industrial Infrastructure Program (TIIP)	32,000.00
8.	Job Skills Fund.....	9,394,300.00
9.	Small and Minority-Owned Telecommunications Program.....	80,100.00

Total Title III-8.....\$ 47,494,100.00

9. Department of Education

1.	Administration	\$ 1,089,500.00
2.	Training and Professional Development	2,079,600.00
3.	Curriculum and Instruction	23,847,300.00
4.	Improving School Programs	23,311,600.00
5.	School Nutrition Programs	190,336,500.00
6.	Special Education Services	154,958,400.00
7.	Vocational Education Programs	30,255,700.00
8.	Alvin C. York Institute	667,200.00
9.	Tennessee School for the Blind	864,000.00
10.	Tennessee School for the Deaf	486,000.00
11.	West Tennessee School for the Deaf	198,200.00
12.	Tennessee Infant-Parent Services School	10,131,100.00
13.	Accountability	9,516,900.00
14.	ESEA No Child Left Behind	216,356,400.00

Total Title III-9\$ 664,098,400.00

10. Higher Education

1.	Tennessee Higher Education Commission	\$ 974,400.00
2.	Tennessee Student Assistance Awards	1,562,400.00
3.	Federal Family Education Loan Program (FFELP)	80,000,000.00
4.	Tennessee Student Assistance Corporation	13,962,600.00
5.	Academic Scholars Program	378,700.00
6.	Loan/Scholarship Programs	913,500.00
7.	THEC Grants	1,286,900.00

Total Title III-10\$ 99,078,500.00

11. Department of Commerce and Insurance

1.	Administration	\$ 4,085,100.00
2.	Insurance	6,249,000.00
3.	Fire Prevention	12,494,400.00
4.	Securities	1,559,200.00
5.	Regulatory Boards	455,200.00
6.	TennCare Oversight	2,648,700.00
7.	Consumer Affairs	21,200.00
8.	Fire and Codes Enforcement Academy	616,700.00

Total Title III-11\$ 28,129,500.00

12. Department of Financial Institutions\$ 3,568,900.00

Total Title III-12\$ 3,568,900.00

13. Department of Labor and Workforce Development

1.	Administration	\$ 5,683,500.00
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2.	Tennessee Occupational Safety and Health Administration (TOSHA).....	3,313,100.00
3.	Workers' Compensation	32,000.00
4.	Mines	250,300.00
5.	Boilers and Elevators	2,433,900.00
6.	Labor Standards.....	157,500.00
7.	Employment and Training	80,625,300.00
8.	Second Injury Fund	175,000.00
9.	Adult Basic Education	16,093,100.00
10.	Employment Security	59,032,000.00
11.	Employee Development	11,532,200.00

Total Title III-13.....\$ 179,327,900.00

14. Department of Mental Health and Developmental Disabilities

1.	Administration	
1.1	Administrative Services Division.....	\$ 3,228,700.00
	Total Administration.....	\$ 3,228,700.00
2.	Mental Health Services	
2.1	Mental Health Services Administration.....	\$ 658,800.00
2.2	Community Mental Health Services	11,512,600.00
2.3	Lakeshore Mental Health Institute	15,948,900.00
2.4	Middle Tennessee Mental Health Institute	27,834,500.00
2.5	Western Mental Health Institute	20,956,500.00
2.6	Moccasin Bend Mental Health Institute	13,707,000.00
2.7	Memphis Mental Health Institute	8,367,700.00
	Total Mental Health Services	98,986,000.00

Total Title III-14.....\$ 102,214,700.00

15. Department of Military

1.	Administration	\$ 528,200.00
2.	Army National Guard.....	7,246,600.00
3.	Air National Guard.....	10,166,600.00
4.	Tennessee Emergency Management Agency	12,857,700.00
5.	Armories Maintenance	2,960,600.00
6.	TEMA Disaster Relief Grants	5,000,000.00
7.	Armories Utilities	1,285,900.00

Total Title III-15.....\$ 40,045,600.00

16. Department of Health

1.	Administration	
1.1	Executive Administration	\$ 844,800.00
1.2	Administrative Services	1,061,700.00
1.3	Division of Technology	55,400.00
1.4	Policy Planning and Assessment	4,272,100.00

	Total Administration.....	\$	6,234,000.00
2.	Manpower Resources and Facilities		
2.1	Bureau of Health Licensure and Regulation.....	\$	7,660,000.00
2.2	Emergency Medical Services		1,328,500.00
2.3	Laboratory Services		9,136,800.00
	Total Manpower Resources and Facilities.....	\$	18,125,300.00
3.	Community Health Services		
3.1	General Environmental Health	\$	28,600.00
3.2	Health Services Administration		1,258,100.00
3.3	Maternal and Child Health		11,010,000.00
3.4	Communicable and Environmental Disease Services.....		23,958,300.00
3.5	Population-Based Services		6,714,100.00
3.6	Women, Infants, and Children (WIC).....		109,813,400.00
	Total Community Health Services	\$	152,782,500.00
4.	Local Health		
4.1	Local Health Services.....	\$	115,101,900.00
	Total Local Health	\$	115,101,900.00
5.	Alcohol and Drug Abuse Services		
5.1	Alcohol and Drug Abuse Services.....	\$	34,043,500.00
	Total Alcohol and Drug Abuse Services.....	\$	34,043,500.00
	Total Title III-16.....	\$	326,287,200.00
17.	Department of Human Services		
1.	Administration		
1.1	Administration.....	\$	35,175,200.00
1.2	Field Operations		11,934,500.00
1.3	County Rentals.....		14,730,100.00
	Total Administration.....	\$	61,839,800.00
2.	Family Assistance Services		
2.1	Child Support.....	\$	60,775,500.00
2.2	Temporary Cash Assistance		127,796,400.00
2.3	Family Assistance Services.....		55,928,700.00
2.4	Disaster Relief		1,500,000.00
2.5	Food Stamp Coupons		660,000,000.00
	Total Family Assistance Services.....	\$	906,000,600.00
3.	Social Services		
3.1	Community Services	\$	297,008,600.00
3.2	Child Care Facilities Loan Fund		185,200.00
	Total Social Services	\$	297,193,800.00
4.	Rehabilitative Services		
4.1	Vocational Rehabilitation	\$	67,538,700.00
4.2	Disability Determination.....		39,045,700.00

Total Rehabilitative Services	\$ 106,584,400.00
Total Title III-17	\$ 1,371,618,600.00
18. Department of Revenue	
1. Administration Division	\$ 2,052,700.00
2. Tax Enforcement Division	2,052,700.00
3. Information Technology Resources Division	2,739,600.00
4. Taxpayer Services Division	2,086,900.00
5. Audit Division	7,191,900.00
6. Processing Division	1,760,600.00
Total Title III-18	\$ 17,884,400.00
19. Tennessee Bureau of Investigation	\$ 16,329,900.00
Total Title III-19	\$ 16,329,900.00
20. Department of Safety	
1. Administration	\$ 346,000.00
2. Driver License Issuance	17,257,100.00
3. Highway Patrol	9,131,800.00
4. Auto Theft Investigations	350,100.00
5. Motor Vehicle Operations	60,000.00
6. Law Enforcement Training Academy	840,000.00
7. Titling and Registration	7,580,000.00
8. Technical Services	7,611,000.00
Total Title III-20	\$ 43,176,000.00
21. Department of Children's Services	
1. Administration	\$ 22,925,100.00
2. Family Support Services	11,110,100.00
3. Custody Services	132,594,800.00
4. Adoption Services	14,302,200.00
5. Child and Family Management	100,358,100.00
6. John S. Wilder Youth Development Center	310,800.00
7. Taft Youth Development Center	458,600.00
8. Woodland Hills Youth Development Center	490,100.00
9. Mountain View Youth Development Center	297,800.00
10. Community Treatment Facilities	3,025,700.00
11. Tennessee Preparatory School	89,300.00
Total Title III-21	\$ 285,962,600.00
22. Board of Probation and Parole	
1. Probation and Parole Services	\$ 340,000.00

Total Title III-22.....\$ 340,000.00

23. Department of Finance and Administration – Mental Retardation

1.	Mental Retardation Administration	\$ 6,726,600.00
2.	Developmental Disabilities Council	2,092,100.00
3.	Community Mental Retardation Services	318,699,500.00
4.	West Tennessee Region	79,099,700.00
5.	Middle Tennessee Region	51,263,000.00
6.	East Tennessee Region	67,889,100.00

Total Title III-23\$ 525,770,000.00

24. Department of Finance and Administration – TennCare Program

1.	TennCare Administration	\$ 97,933,800.00
2.	TennCare Services	3,598,152,800.00
3.	Waiver and Crossover Services	415,522,900.00
4.	Long Term Care Services	750,823,000.00

Total Title III-24.....\$ 4,862,432,500.00

25. Department of Transportation

1.	Highway Maintenance	\$ 1,100,000.00
2.	Highway Betterments	100,000.00
3.	State Aid.....	10,223,000.00
4.	State Industrial Access.....	200,000.00
5.	Local Interstate Connectors	1,475,000.00
6.	Mass Transit.....	24,692,000.00
7.	Planning and Research.....	10,800,000.00
8.	Interstate Construction	118,800,000.00
9.	Forest Highways	700,000.00
10.	State Highway Construction	478,950,000.00
11.	Bridge Replacement.....	82,400,000.00
12.	Air, Water, and Rail Transportation.....	17,300,000.00

Total Title III-25.....\$ 746,740,000.00

26. Facilities Revolving Fund

1.	General Services Operating Maintenance	\$ 40,640,000.00
2.	General Services Project Maintenance	1,700,000.00
3.	Facilities Management	29,345,000.00
4.	Capital Projects	6,315,000.00
5.	Debt Service.....	21,000,000.00

Total Title III-26\$ 99,000,000.00

REFUND OF RECEIPTS

SECTION 5.

Item 1. There is hereby appropriated the necessary and sufficient sums to refund any collection or part thereof made erroneously or illegally for the use or benefit of the state or any of its departments, institutions, offices or agencies. Such refunds shall be made in accordance with existing law as applicable in any particular case. In case revenues are not adequate to meet in full all appropriations made, the appropriations made for Sinking Fund Debt Service and the amounts necessary to cover the salary and wage obligations of the State shall have preferential payment.

Item 2. With respect to any revenues or receipts collected by any department or agency with the exception of those collected by the Department of Revenue, notwithstanding any provisions of the law to the contrary, such amounts as are determined to have been erroneously paid may be refunded by such procedure as may be approved by the Commissioner of Finance and Administration and the Comptroller of the Treasury.

SECTION 6. In addition to the appropriations made to the State Funding Board in Section 1, Title III-30 of this act, there is appropriated the following items:

Item 1. There is hereby appropriated a sum sufficient from the internal service funds available to the Department of Finance and Administration, Office of Information Resources, to provide the debt service on general obligation bond and note issues authorized in the following amounts:

(1) Chapter 850, Public Acts of 1994.....	\$ 13,800,000.00
(2) Chapter 952, Public Acts of 1996.....	\$ 20,000,000.00

Item 2. From the funds appropriated in Section 1, Title III-30, Item 5, Amortization of Authorized and Unissued Highway Bonds, the sum of \$74,000,000.00 is appropriated in lieu of issuing highway bonds authorized under the provisions of Chapter 952, Public Acts of 1996. The State Funding Board shall take the necessary action to cancel the unissued bonds.

Item 3. For the purpose of defraying the costs of issuance of debt and the administration of authorized programs of the Tennessee Local Development Authority, there is hereby appropriated to the Tennessee Local Development Authority an amount not to exceed \$25,000.00 from the State Loan Program Fund. Such amounts shall be determined as necessary by the State Funding Board and the Tennessee Local Development Authority.

Item 4. In addition to the appropriation made in Section 1, Title III-30 there is hereby appropriated a sum sufficient to pay for debt service attributable to any obligations issued pursuant to Chapter 850, Public Acts of 1994; Chapter 945, Public Acts of 1996; Chapter 952, Public Acts of 1996; and Chapter 990, Public Acts of 1996. Said appropriation shall be derived from excess revenues generated by Chapter 1029, Public Acts of 1992 and from revenues, fees or other funds resulting from the development and operations of facilities funded under the provisions of Chapter 850, Public Acts of 1994; Chapter 945, Public Acts of 1996; Chapter 952, Public Acts of 1996; and Chapter 990, Public Acts of 1996 and any other amounts which may be

appropriated therefor. Pursuant to procedures as may be determined by the Commissioner of Finance and Administration, such debt service payments shall be transferred to the debt service fund.

Subject to the approval of the Commissioner of Finance and Administration, there is hereby authorized to be expended from available funds of the state such amounts as may be necessary to pay debt service on any obligations issued pursuant to Chapter 850, Public Acts of 1994; Chapter 945, Public Acts of 1996; Chapter 952, Public Acts of 1996; and Chapter 990, Public Acts of 1996 prior to commencement of operations of any such facilities; provided, however, any state funds utilized for this purpose, shall, together with interest thereon, be repaid from such facilities revenues pursuant to terms and conditions as may be prescribed by the State Funding Board.

Item 5. In addition to the appropriation made in Section 1, Title III-30 there is hereby appropriated a sum sufficient from revenues, fees or other funds derived from the development and operations of new state golf courses on state property to pay for the operations of such golf courses and debt service attributable to any obligations issued therefor pursuant to Chapter 528, Public Acts of 1993. Pursuant to procedures as may be determined by the Commissioner of Finance and Administration, such debt service payments shall be transferred to the debt service fund.

Subject to the approval of the Commissioner of Finance and Administration, there is hereby authorized to be expended from available funds of the state such amounts as may be necessary to pay debt service on any obligations issued pursuant to Chapter 528, Public Acts of 1993 prior to commencement of operations of any such golf course; provided, however, any state funds utilized for this purpose shall, together with interest thereon, be repaid from such golf course's revenues pursuant to terms and conditions as may be prescribed by the State Funding Board.

It is hereby declared to be the legislative intent that in determining the feasibility of any new golf course as contemplated by Chapter 528, Public Acts of 1993, the Department of Environment and Conservation and the State Building Commission shall take into consideration the repayment of any debt service payments made from state funds pursuant to the authority of this section.

Item 6. From the appropriation made in Section 1, Title III-30 of this act to the State Funding Board, the sum of \$3,986,000 is earmarked to pay debt service on general obligation bonds issued under the authority of Chapter 582, Public Acts of 1996 for the purpose of making a grant to the Metropolitan Government of Nashville and Davidson County for the construction of a sports stadium. It is the legislative intent that said appropriations shall be funded first from the sales tax revenues allocated under the provisions of Tennessee Code Annotated, Section 67-6-103(d)(1) and any revenues in excess of debt service requirements shall be reserved at June 30 and not revert to the fund balance and that said appropriations, to the extent required, shall be funded second from revenues and reserves available to the debt service fund.

Item 7. In addition to the appropriations made in Section 1, Title III-30 of this act to the State Funding Board, and to the extent that the board issues any tax revenue anticipation notes pursuant to the provisions of Tennessee Code Annotated, Section 9-9-301, there is hereby appropriated a sum sufficient from subsequently available funds of the state to pay debt service on such notes within the fiscal year of issuance.

SECTION 7. The appropriations made by this act under Sections 1 and 4 shall be subject to the following provisions, limitations, or restrictions. From the funds appropriated to the:

Item 1. It is the legislative intent that annual dues assessed by the Council of State Governments (CSG) and the National Conference of State Legislatures (NCSL) be paid quarterly and timely from the funds appropriated in Section 1, Title III-2, Item 1.2 (Intergovernmental Conferences). CSG dues for 2003-2004 shall be remitted in four (4) equal payments \$29,835.25 (\$119,341 annualized), and NCSL dues shall be remitted in four (4) equal payments \$31,088.75 (\$124,355 annualized).

Item 2. From the appropriation made for the State Election Commission under Section 1, Title III-1, Item 3.2, there is hereby appropriated funds for expenses of the State Election Commission, including the printing of election laws, the office of the Coordinator of Elections, and other expenses of administering election laws. The salary of each member of the State Election Commission shall be seven thousand two hundred dollars (\$7,200.00) annually, except that the Chairman shall be paid an additional one thousand eight hundred dollars (\$1,800.00) annually for additional duties required of him and the Secretary shall be paid an additional one thousand two hundred dollars (\$1,200.00) annually for additional duties required of him. The Secretary of State is hereby authorized to make all necessary purchases of election supplies from funds appropriated for such purpose in accordance with state purchasing procedures.

Item 3. From the funds appropriated to the Office of the Comptroller of the Treasury and the Department of Finance and Administration, there is hereby authorized to be allocated an amount not to exceed \$45,000.00 for the purpose of meeting the State of Tennessee's participation in the cost of supporting the National Council on Governmental Accounting or a governmental accounting standards board in the establishment of governmental accounting standards and principles.

Item 4. Maintenance of the Governor's Mansion in the amount of forty-eight thousand dollars (\$48,000.00) per year, and travel expenses as certified by the Governor, shall be paid monthly by the Commissioner of Finance and Administration from the appropriations made under Section 1, Title III-2, Item 1.1 for the Governor's Office, it being the legislative intent that the mansion should be maintained and operated as the official residence and office of the Chief Executive of Tennessee in a manner required of the Office of Governor.

Item 5. Tennessee Arts Commission in Section 1, Title III-2, Item 2.10, the sum of \$80,000.00 is hereby appropriated for the purpose of making a grant to Fisk University for the necessary staff, services and other costs associated with maintaining and showing the Stieglitz Collection at Fisk University. It is the legislative intent that this appropriation is a direct appropriation grant and that it be processed accordingly by the Commissioner of Finance and Administration.

Item 6. Tennessee Arts Commission in Section 1, Title III-2, Item 2.10, the grant to the Knoxville Arts Council for ticket subsidies for students in east Tennessee shall provide for a sub-grant to the Allied Arts of Greater Chattanooga. It is the legislative intent that the grant be shared on a per student basis.

Item 7. Department of Finance and Administration in Section 1, Title III-2, Item 3, there is hereby earmarked a sum not to exceed \$820,000.00 from the proceeds of the \$15.00 privilege tax on marriage licenses for purposes of funding family violence shelters and shelter services. This appropriation is made under the provisions of Tennessee Code Annotated, Section 67-4-411.

Item 8. Board of Probation and Parole in Section 1, Title III-23, Item 2, the board is authorized to make a grant of up to \$182,000 to "Project Return".

Item 9. Board of Probation and Parole in Section 1, Title III-23, Item 2, the sum of \$136,500 is for the sole purpose of making a grant in such amount to Dismas, Inc., to be used for assisting with their programs in the State of Tennessee, and for no other purpose. From the funds appropriated to Dismas, Inc., there is earmarked the sum of \$25,000 to Chattanooga Endeavors (formerly Dismas House of Chattanooga) and \$8,000 to Better Decisions (formerly DECISIONS, a program of the DISMAS, Inc. home office) for the sole purpose of maintaining operations at their former level.

Item 10. Department of Economic and Community Development in Section 1, Title III-8, the amount of \$100,000.00 is to be paid to the Nashville Business Development Center and the amount of \$100,000.00 is to be paid to the Memphis Business Development Corporation as direct appropriation grants.

Item 11. Commission on Fire Fighting Personnel Standards and Education in Section 1, Title III-11, Item 3, funds are earmarked for payment to eligible units of local government to pay bonus supplements to firemen who successfully complete during calendar year 2003 an in-service training program appropriate to such fireman's rank and responsibility and the size and location of his department of at least forty (40) hours' duration at a school established or certified by such commission. The funds appropriated by this item shall be disbursed in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 24 and Section 56-4-205(c) and no supplement to any person shall exceed four hundred and nine dollars and fifty cents (\$409.50).

Item 12. Department of Health in Section 1, Title III-16, the amount of \$113,700 is to be paid to St. Jude Hospital in Memphis to defray, in whole or in part, the expenses of patients and their families who are citizens and residents of Tennessee in traveling to and from St. Jude Hospital. Such payments shall be administered by the hospital and shall be made on the basis of need. Such patients, or their families, requesting assistance from these funds shall supply such documents supporting need and travel expenses as the hospital may require.

Item 13. POST Commission in Section 1, Title III-20, Item 8, funds are earmarked for payment to eligible units of local government which have required all police officers to complete during calendar year 2003 an in-service training course appropriate to each officer's rank and responsibility commensurate with the size and location of his department of at least forty (40) hours duration at a school certified or recognized by the Peace Officer Standards and Training Commission. The funds appropriated by this item shall be disbursed in accordance with the provisions of Tennessee Code Annotated, Title 38, Chapter 8, Part 1, and no recipient shall be eligible to receive a supplement of more than five hundred forty six dollars (\$546.00) pursuant to such appropriation.

Item 14. Department of Children's Services in Section 1, Title III-22, the sum of \$530,000.00 is hereby appropriated to fund child abuse prevention services. It is the legislative intent to fund the program established under the provisions of Tennessee Code Annotated, Title 71, Chapter 6, Part 2 (Chapter 930, Public Acts of 1984).

Item 15. From the appropriation in Section 1, Title III-26, for the Emergency and Contingency Fund, there is hereby appropriated an amount not to exceed three hundred nineteen thousand three hundred dollars (\$319,300.00) for the following purposes: (1) forest fire control in the Division of Forestry, (2) payment of indemnities for destruction of livestock and extraordinary veterinary payrolls for cattle market fluctuations by the Department of Agriculture, (3) payment of extraordinary expenditures for insect and pest control efforts by the Department of Agriculture, and (4) the cost of personnel and equipment needed to restore law and order in instances arising out of civil disorders.

SECTION 8. In addition to the appropriations made in Section 1 of this act and subject to the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 4, Part 51, there is hereby appropriated a sum sufficient:

Item 1. To pay all lawful claims due from the state to any of the several counties thereof on account of unpaid court costs, unpaid allotments of taxes distributable by the state to the counties and such other sums as may be due from the state to the counties, but none of such funds shall be distributed to the counties of the state until after the validity of the claims has been investigated and approved by the State Comptroller and the Governor. Provided, however, that such funds shall not include funds due to counties and cities for the state share of costs to cities and counties as required by Section 24, Article II, of the Constitution of Tennessee.

Item 2. To the Tennessee Code Commission for the following purposes: (1) to purchase pocket supplements for the state-owned sets of Tennessee Code Annotated; (2) to purchase replacement volumes for state-owned sets of Tennessee Code Annotated; (3) to purchase replacement sets of Tennessee Code Annotated; (4) to purchase sets of Tennessee Code Annotated for judges of new courts created during the 2003 Session of the General Assembly; (5) to purchase pocket supplements for the state-owned sets of the Index to the Private Acts of Tennessee; and (6) to pay for proofreading and other expenses involved in preparing supplements and replacement volumes for Tennessee Code Annotated.

Item 3. To pay the salaries and travel expenses of all persons appointed to sit as Special Judges, Special District Attorneys General and/or Special Prosecutors under statutes relating to the state judicial system.

Item 4. To provide for indigent defendants counsel in capital cases.

Item 5. To pay fees of special counsel who may be employed by the Governor, on recommendation of the Attorney General, and to pay other expenses in special cases of litigation involving the state. In matters involving the Tennessee Regulatory Authority, Housing Development Agency, Wildlife Resources Agency, financial institutions, regulatory boards and other programs and agencies funded by earmarked or dedicated revenues, the sum sufficient appropriation shall be provided from said earmarked or dedicated revenues. In matters involving departments, agencies and/or programs funded in whole or in part with federal aid and/or departmental revenues and reserves, the sum

sufficient appropriation may be provided in whole or in part from said revenues and reserves.

Item 6. To the Administrative Office of the Courts from the "Divorcing Parent Education and Mediation Fund" and the "Marriage License Tax" to administer and fund the provisions of Tennessee Code Annotated, Section 36-6-413(b)(5).

Item 7. To the Attorney General and Reporter from the False Claims Act Fund established pursuant to Tennessee Code Annotated, Section 4-18-104(j). The Commissioner of Finance and Administration is authorized to adjust the appropriation made under Section 1, Title III-1, Item 1.1, of this act to recognize any reimbursement for expenses already provided.

Item 8. To the Registry of Election Finance from the lobbyist registration fees collected by the agency.

Item 9. To provide for payment of administrative law judge services. The Commissioner of Finance and Administration is authorized to allocate the funds to the appropriate organizational units and to adjust departmental revenues accordingly.

Item 10. To the Tennessee Local Development Agency a sum sufficient from the Underground Storage Tank Fund for the purpose of paying debt service and expenses in connection with any debt issued pursuant to the provisions of Chapter 444, Public Acts of 1997, relative to underground storage tanks.

Item 11. To the Health Services and Development Agency a sum sufficient from revenues collected by the agency for the purpose of paying indirect costs allocated to the agency and to pay audit costs.

Item 12. To the Department of Finance and Administration to provide for payments to the State Office Buildings and Support Facilities Revolving Fund for spaces occupied by the Tennessee State Museum and for other areas within the Tennessee Performing Arts Center.

Item 13. To the Office of Information Resources from the general obligation bonds/notes authorized under Chapter 850, Public Acts of 1994; and Chapter 952, Public Acts of 1996 for data processing services and telecommunications services.

Item 14. To the Department of Finance and Administration to reimburse the federal government for arbitrage on the state's general obligation debt.

Item 15. To the Department of Finance and Administration from the litigation tax imposed by Chapter 901, Public Acts of 1998, to fund grants to local governments to purchase and maintain electronic fingerprint imaging systems. It is the legislative intent that the appropriations for this purpose be adjusted to equal the available earmarked revenue.

Item 16. To the Department of Finance and Administration from the revenues allocated to the domestic violence community education fund under the provisions of Tennessee Code Annotated, Section 36-3-616.

Item 17. To the Department of Veterans Affairs for operation of cemeteries to offset any undercollection of departmental revenues appropriated in Section 4, Title III-2, Item 5 of this act. This appropriation shall be non-recurring.

Item 18. To the Department of Agriculture from revenues available to the Agricultural Resources Conservation Fund under the provisions of Tennessee Code Annotated, Section 67-4-409(l).

Item 19. To the Department of Agriculture from the Agricultural Regulatory Fund under the provisions of Tennessee Code Annotated, Title 43, Chapter 1, Part 7.

Item 20. To the Department of Agriculture from the Certified Cotton Growers' Organization Fund under the provisions of Tennessee Code Annotated, Title 43, Chapter 6, Part 4.

Item 21. To the Department of Agriculture from the Tennessee Grain Indemnity Fund under the provisions of Tennessee Code Annotated, Title 43, Chapter 32, Part 2.

Item 22. To the Department of Agriculture, Market Development, from the Agricultural Development Fund under the provisions of Tennessee Code Annotated, Section 55-4-267.

Item 23. To the Department of Environment and Conservation from revenues available to the Local Park Land Acquisition Fund and to the State Lands Acquisition Fund and the State Lands Compensation Fund under the provisions of Tennessee Code Annotated, Sections 67-4-409(i) and 67-4-409(j).

Item 24. To the Department of Environment and Conservation for the state parks program from any revenues derived from non-profit support groups authorized under Chapter 40, Public Acts of 1993.

Item 25. To the Department of Environment and Conservation from the Petroleum Underground Storage Tank Fund.

Item 26. To the Department of Environment and Conservation, Environmental Protection Fund, from revenues and reserves available to the fund and departmental revenues shall be adjusted accordingly.

Item 27. To the Department of Environment and Conservation from the Solid Waste Management Fund.

Item 28. To the Department of Environment and Conservation from the Hazardous Waste Remedial Action Fund.

Item 29. To the Department of Environment and Conservation from the Used Oil Collection Fund established pursuant to Tennessee Code Annotated, Section 68-211-1004.

Item 30. To the Wildlife Resources Agency from revenues available to the Wetlands Acquisition Fund and the Wetlands Compensation Fund.

Item 31. To the Wildlife Resources Agency from the general fund for any difference between the actual charges to the agency under the indirect cost allocation plan and the amount the TWRA can justify and continue to receive federal funds.

Item 32. To the Wildlife Resources Agency from its own revenues to implement the programs, activities and projects approved by the Wildlife Resources Agency Commission. The Commissioner of Finance and Administration is authorized to adjust departmental revenue accordingly and to establish positions as may be required.

Item 33. To the Department of Economic and Community Development, Small and Minority-Owned Telecommunications Business Assistance Program, from funds allocated to the program under the provisions of Tennessee Code Annotated, Section 65-5-213.

Item 34. To the Department of Commerce and Insurance to purchase examinations for regulatory boards. This appropriation is contingent upon the fees collected for giving examinations being in excess of the budgeted estimates.

Item 35. To the Department of Commerce and Insurance, 911 Emergency Communications Fund, from the revenues collected under the provisions of Tennessee Code Annotated, Title 7, Chapter 86 to implement the purposes of the Chapter.

Item 36. To the Department of Military to provide for the cost of personnel and equipment needed to maintain law and order in instances arising out of civil disorders.

Item 37. To the Department of Military, Disaster Relief Grants, and to the Department of Human Services, Disaster Relief, for the purpose of matching federal funds and to the Department of Military to pay the administrative costs of the Disaster Relief Program. Said appropriations shall be made first from the Reserve for Disaster Relief and they are in addition to the appropriation made in Section 1, Title III-21, of this act. Federal aid and other departmental revenue may be adjusted accordingly.

Item 38. To the Department of Health from the "Nursing Home Resident Protection Trust Fund" under the provisions of Tennessee Code Annotated, Section 68-11-827.

Item 39. To the Department of Health from funds available under the Health Access Act of 1989, Tennessee Code Annotated, Sections 66-29-121 and 66-29-151.

Item 40. To the Department of Health from the "Child Safety Fund" to administer and fund the provisions of Tennessee Code Annotated, Section 55-9-602(f)(7).

Item 41. To the Department of Health from the "Alcohol and Drug Addiction Treatment Fund" to administer and fund the provisions of Tennessee Code Annotated, Section 40-33-211(c)(2).

Item 42. To the Department of Health from the Traumatic Brain Injury Fund to allow for the provision of enhanced and/or new services which benefit traumatic brain injury persons and their families as authorized in Tennessee Code Annotated, Title 68, Chapter 55. Any additional appropriations provided under this item would be on a non-

recurring basis from carry-forward funds which exist in the Traumatic Brain Injury Fund and would be subject to approval of the Commissioner of Finance and Administration.

Item 43. To the Department of Health, Health Related Boards, and to the Department of Commerce and Insurance, Division of Regulatory Boards, for data processing systems development and implementation. Said appropriations are subject to the provisions of Tennessee Code Annotated, Section 4-3-1011.

Item 44. To the Department of Human Services for administration of the Child Care Facilities Loan Guarantee Program. Said appropriation shall come from interest earnings allocated to the program under the provisions of Tennessee Code Annotated, Section 4-37-110.

Item 45. To the Department of Revenue to pay interest, attorney fees and other costs which are due with certain taxpayer refund payments.

Item 46. To the Tennessee Bureau of Investigation from the dedicated revenues and departmental revenues collected pursuant to Tennessee Code Annotated, Section 40-32-101(d), for the purpose of establishing and maintaining the expunged criminal offender and pretrial diversion database.

Item 47. To the Department of Safety (a) from the Motorcycle Rider Safety reserve fund under the provisions of Tennessee Code Annotated, Section 55-51-104; (b) from the Driver Education reserve fund under the provisions of Tennessee Code Annotated, Section 67-4-606(2)(B); and (c) from the C.I.D. Anti-Theft reserve fund under the provisions of Tennessee Code Annotated, Section 55-3-208.

Item 48. To the Department of Transportation for payments to the Claims Award Fund. Said appropriation shall be made from the highway fund balance.

Item 49. To the Department of Transportation, Division of Air, Water and Rail, from the Transportation Equity Fund. This appropriation is subject to the availability of revenue in the fund.

Item 50. To the Department of Environment and Conservation from the Drycleaner Environmental Response Fund.

Item 51. To the Administrative Office of the Courts from the Tennessee Judicial Information System Fund under the provisions of Tennessee Code Annotated, Section 16-3-807.

Item 52. To the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) from the TACIR reserves authorized by Tennessee Code Annotated, Section 4-10-107.

SECTION 9. In addition to the appropriations made in Section 4 of this act and subject to the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 4, Part 51, there is hereby appropriated a sum sufficient:

Item 1. To the Attorney General and Reporter, if the appropriation made in Section 4, Title III-1, Item 1.1, shall prove inadequate to allow the Attorney General and

Reporter to represent the state agencies and officials before the Claims Commission, or state agencies and officials in other cases of litigation or other legal matters. The Commissioner of Finance and Administration, upon the request of the Attorney General and Reporter, is hereby authorized to increase the departmental revenue estimate by an amount sufficient to provide for such representation and to establish positions as may be required.

Item 2. To the Attorney General and Reporter from the attorneys' fees and expenses of litigation awarded under the provisions of Tennessee Code Annotated, Section 67-1-1803(d), or any other fees and expenses awarded to the Attorney General and Reporter. The Commissioner of Finance and Administration is authorized to adjust the appropriation made under Section 1, Title III-1, Item 1.1, to recognize any reimbursement for expenses already provided. The Commissioner of Finance and Administration is authorized to establish positions as may be required.

Item 3. To the Attorney General and Reporter a sum sufficient from the Claims Award Fund for the purposes of implementing the provisions of Tennessee Code Annotated, Title 8, Chapter 42, relative to legal representation for state employees. The Commissioner of Finance and Administration, upon the request of the Attorney General and Reporter, is authorized to establish positions as may be required to implement the provisions of Tennessee Code Annotated, Title 8, Chapter 42.

Item 4. To the State Treasurer, with the concurrence of the Speaker of the Senate and the Speaker of the House of Representatives, for the purpose of developing and implementing programs designed to enhance investment performance, including programs designed to recruit and retain qualified investment staff.

Item 5. To the State Treasurer for payment of Unclaimed Property - Claims.

Item 6. From federal funds available to the Tennessee Housing Development Agency, there is hereby appropriated a sum sufficient to meet obligations incurred by the agency, pursuant to the federal Section 8 program.

Item 7. To Tennessee Rehabilitative Initiative in Correction Board (TRICOR), in an amount equal to the balance in the revolving fund, for benefit of the program.

Item 8. To the Tennessee State Museum from deferred revenue and departmental revenues available to the museum to be used for the purchase of artifacts.

Item 9. To the Department of General Services for equipment and supplies ordered but not delivered at June 30, 2003.

Item 10. To the Department of Environment and Conservation, West Tennessee River Basin Authority, from funds provided by the counties within the authority area.

Item 11. To the Department of Environment and Conservation from the Radiation Reclamation Trust Fund and the Perpetual Care Trust Fund under the provisions of Tennessee Code Annotated, Section 68-202-405.

Item 12. To the Department of Economic and Community Development to meet community development block grant expenditure requirements in the 2003-2004 fiscal year. This appropriation shall be from federal aid funds.

Item 13. To the Department of Economic and Community Development from monies received from conferences, trade missions, trade shows and other activities which reimburses the state for expenses.

Item 14. To the Department of Economic and Community Development from interest earnings allocated to the a) Tennessee Industrial Infrastructure Program (TIIP), b) Job Skills Fund, and c) Small Cities Community Development block grant (CDBG).

Item 15. To the Department of Commerce and Insurance, Division of Fire Prevention, for payment of electrical inspections. This appropriation is contingent upon the fees collected for making electrical inspections being in excess of the budgeted estimate.

Item 16. To the Department of Labor and Workforce Development from federal aid funds and other departmental revenues. Subject to this appropriation, authorized positions may be increased up to one hundred (100) positions.

Item 17. To the Department of Mental Health and Developmental Disabilities from revenue received from behavioral health organizations and other non-state organizations for inpatient mental health services provided for publicly funded or potentially publicly funded persons.

Item 18. To the Department of Military, TEMA and Disaster Relief Grants, and to the Department of Human Services, Disaster Relief, from federal aid disaster relief funds.

Item 19. To the Department of Safety, the Department of Revenue, the Tennessee Bureau of Investigation, the Tennessee National Guard and the Alcoholic Beverage Commission from the proceeds of property seized and forfeited under federal procedures which are shared with the departments or the commission.

Item 20. To the Department of Transportation from local government funds, federal aid and other departmental revenues.

Item 21. To the Office of Homeland Security from federal grant funds and to other agencies of state government receiving homeland security federal grant funds.

SECTION 10. The appropriations made by this act under Sections 1 and 4 shall be subject to the following provisions, limitations, or restrictions:

Item 1. Notwithstanding any provision of the law to the contrary, any institution which receives state funds appropriated by the provisions of this act shall be subject to audit by the Comptroller of the Treasury as to the expenditure and obligation of such funds.

Item 2. Any personal services, professional services or consultant services contracts concerning management services of all types, management studies, planning

services, public relations, evaluations, systems designs, data processing, auditing or accounting services entered into by an executive department or agency of state government shall be executed by the head of such department or agency and shall be subject to approval by the Commissioner of Finance and Administration and the Comptroller of the Treasury. No funds appropriated under this act to a department or agency shall be used for such contracts unless such approval is received or is otherwise authorized by the approving officials. Any such contract entered into by agencies of the legislative or judicial branches shall be subject to the approval of the Comptroller of the Treasury.

Item 3. No funds appropriated by this act shall be obligated and/or expended for any newsletter, periodical, or other material which is to be distributed to all, or substantially all, state employees (excluding higher education) until the agency head proposing to make such distribution contacts the two Speakers and makes available equal space for legislative information in such newsletter, periodical, or other material. This item shall not apply to policy and/or procedural directives.

Item 4. From the funds appropriated to the TennCare program, the state shall comply with applicable federal law.

Item 5. During fiscal year 2003-2004 it is the legislative intent to encourage that all conferences, workshops, meetings, seminars, programs, and similar endeavors conducted for officials and/or employees of the legislative, executive, or judicial branch of state government be conducted in state facilities whenever practicable.

Item 6. From the appropriation for travel expenses of Justices of the Supreme Court and for the members of the Court of Appeals and the Court of Criminal Appeals, each member of said Courts shall be reimbursed for necessary traveling expenses incurred by them during their absence from the counties of their residence on official business; provided, however, that such travel expenses shall be limited to board and lodging and mileage each way necessary to travel on official business. Any judge seeking reimbursement for official expense under this section shall file with the Executive Secretary to the Supreme Court, or other official upon whom this duty may be lodged by law, a statement of such amounts necessarily expended by him in the discharge of such official duties and upon receipt of this verified statement, warrant for reimbursement for such expenses shall be issued.

Item 7. The Supreme Court shall fix the salaries of the marshals for the Eastern, Middle, and Western Divisions, which salary shall be payable out of the appropriations for Appellate Court Clerks.

Item 8. The commission in charge of the Supreme Court Building in Nashville, established by Tennessee Code Annotated, Section 16-3-701, is authorized to employ an experienced Engineer-Superintendent to supervise the air-conditioning and heating of the Supreme Court Building at Nashville and to employ the necessary assistants to keep and maintain the building. Payment for said services shall be paid out of the appropriations made by this act.

Light, heat and water for the Supreme Court Building in Nashville and for the Supreme Court Building in Knoxville is to be provided by the Department of General Services out of the appropriation herein made for it.

Item 9. Employees of the office of the Executive Secretary to the District Public Defender's Conference, District Public Defenders and employees of a District Public Defender's Office, as created pursuant to Tennessee Code Annotated, Title 8, Chapter 14, shall only travel and shall be reimbursed for travel expenses in accordance with the provisions of the comprehensive travel regulations promulgated by the Department of Finance and Administration and approved by the Attorney General.

Item 10. The appropriation made in Section 1, Title III-1, Item 5.9 for the Tax Relief Program, is made for the purpose of providing tax relief for elderly low-income homeowners, disabled homeowners, and disabled veteran homeowners, as provided by law. The income eligibility limit for elderly low-income homeowners and for homeowners totally and permanently disabled shall be adjusted for the fiscal year 2003-2004 under the provisions of Tennessee Code Annotated, Sections 67-5-702 and 67-5-703.

Item 11. Notwithstanding any provision of the law to the contrary, from the appropriations made for the Department of the Treasury, there is hereby appropriated funds sufficient to defray the cost of administering, on behalf of state employees compensated on the centralized state payroll system, Tennessee Code Annotated, Title 8, Chapter 25, Part 1, the same being the "Government Employees' Deferred Compensation Plan Act", and Tennessee Code Annotated, Title 8, Chapter 25, Part 3, the same being the "Profit Sharing or Salary Reduction Plans for State Employees", and Tennessee Code Annotated, Section 8-25-501, the same being a "Cafeteria Benefits Plan" for state employees.

Item 12. From the appropriation made in Section 4, Title III-1, Item 7.2, Claims Award Reserve Fund, funds may be expended to contract with a third party for claims management services.

Item 13. The Commissioner of Finance and Administration is authorized to approve an adjustment in rates charged by the Office of Information Resources and to reserve any funds needed to rebate savings to the federal government and to reallocate state appropriations between departments and to adjust federal aid and other departmental revenue accordingly. Any adjustment of rates or reserve of funds pursuant to the provisions of this act shall be reported to the Information Systems Council.

Item 14. Subject to the concurrence of the Commissioner of Finance and Administration, the Commissioner of Personnel is authorized to develop and implement a system whereby the cost of the Civil Service Commission and of services rendered to the Department of Personnel by the Administrative Procedures Division of the Department of State is recovered from those departments, boards and commissions to whom services are rendered.

Item 15. The funds appropriated in Section 4, Title III-3, to the Division of Forestry, shall include the proceeds from timber sales conducted by the Department of Agriculture. It is the legislative intent that said proceeds shall be accounted for as departmental revenue.

Item 16. From the appropriation made for the Department of Tourist Development, there is hereby appropriated a sum not to exceed twelve thousand five hundred dollars (\$12,500.00), sufficient to defray the cost of advertising and other

expenses in connection with special events in which Tennessee is represented and/or events within the State for which Tennessee will act as official host. Any allotment of funds made under the authority of this section shall be made only on the approval of the Commissioner of Finance and Administration.

Item 17. From the appropriations made in this act, there shall be paid expenses incurred by the Department of Economic and Community Development and the Department of Tourist Development, representing the state in its official capacity; provided, however, that nothing herein shall authorize the expenditure by each agency for such purposes in excess of five thousand dollars (\$5,000.00) per annum. The amount and purposes of such expenses are subject to approval by the Commissioner of Finance and Administration.

Item 18. The revenues collected under the provisions of Tennessee Code Annotated, Title 67, Chapter 4, Part 16, are available to fund the appropriations made for the Solid Waste Assistance Fund in Section 1, Title III-5 of this act. The Commissioner of Finance and Administration shall allocate all of said revenues to the fund.

Item 19. From the appropriations made to State Prosecutions in Section 1, Title III-7, payments to reimburse counties for housing state prisoners shall not exceed \$32.00 per inmate per day. Provided, however, the \$32.00 per inmate per day limitation on reimbursement payments shall be inapplicable to the extent the state is obligated by the specific terms of a written contract to provide reimbursement at a rate in excess of \$32.00 per inmate per day, but only to the extent of that contractual obligation.

Item 20. Notwithstanding any provision of the law to the contrary, where a judicial proceeding is transferred from one jurisdiction to another for trial on a defendant's motion for change of venue, the limitation of five hundred dollars (\$500.00) for the board and lodging of the jury shall not apply, provided the Comptroller of the Treasury on the advice of the State Attorney General, determines that additional funds for boarding and lodging the jury are necessary.

Item 21. The Department of Mental Health and Developmental Disabilities is authorized to expend up to one hundred fifty thousand dollars (\$150,000) in available funds for the purpose of implementing the provisions of Tennessee Code Annotated, Section 12-4-330, and such funds are specifically appropriated for that purpose.

Item 22. Within the amount appropriated in Section 1, Title III-17 and in Section 4, Title III-17 for Temporary Assistance to Needy Families, the Commissioner of Human Services shall establish by rule or regulation, pursuant to the provisions of Tennessee Code Annotated, Section 71-3-155, to be effective July 1, 2003, the standard of need for each family size in the Families First program; provided, the maximum grant for each family size will remain at the Fiscal Year 2002-2003 established level; and, provided further that the Commissioner of Human Services, in consultation with the Commissioner of Finance and Administration, may by rule to be effective on July 1, 2003, establish certain categories of Families First recipients to whom an additional grant differential for the family size up to a maximum of fifty dollars (\$50.00) per family may be paid.

Item 23. The appropriations to the Department of Revenue under Section 1, Title III-18, provide for all the activities of the department and include amounts in lieu of percentages allowed by law on collection of certain taxes and revenues; such

percentage shall be covered into and made a part of the general fund. Appropriations also include amounts for motor vehicle registration and any other activities which may be administered by the Department of Revenue and/or the Department of Safety.

Item 24. The appropriation to the Tennessee Association of Rescue Squads in Section 1, Title III-21, is for the sole purpose of maintaining a state headquarters of the association and to pay the salary of an executive director of the association and other expenses appurtenant thereto.

Item 25. Notwithstanding any provision of the law to the contrary, the Department of Transportation shall not release or make available information which reveals the amount of funding available for any project.

Item 26. From the funds appropriated to the West Tennessee River Basin Authority, there is earmarked a sum sufficient not to exceed \$78,000 for the sole purpose of implementing the provisions of HB 1032 / SB 885, if such bill becomes law.

Item 27. No funds appropriated by the provisions of this act for any specialty license plate shall be allocated from the department of finance and administration to the department of safety until such plate has met all statutory requirements for issuance.

Item 28. No funds appropriated by the provisions of this act to the Department of Economic and Community Development shall be used to contract for services, or to renew any contract for services, with any individual or entity if such individual or entity's position presents an actual or apparent conflict of interest between duties owed to the state of Tennessee under such contract and duties owed to any third party. It is the legislative intent that work performed under service contracts shall be performed in-house by the department to the extent possible.

Item 29. The appropriation made to the office of homeland security by the provisions of this act is reduced by the sum of \$53,000. Such funding reduction is for the purpose of transferring such funds to the Tennessee state guard.

Item 30. The appropriation made to the Department of Safety in Section 1 of this act is reduced by the sum of \$1,700,000. Such funding reduction is for the purpose of eliminating the improvement funds for a helicopter.

Item 31. The appropriation made to the Department of Human Services by the provisions of this act is reduced by the sum of \$242,200. Such funding reduction is for the purpose of reducing the improvement item for converting computer support for the child support enforcement system from contractors to state employees.

Item 32. Of the \$3,000,000 appropriated to Miscellaneous Appropriations for the Homeland Security Emergency Fund, the sum of \$1,942,200 shall be non-recurring. The remaining sum of \$1,057,800 shall be recurring.

Item 33. From funds available to the general assembly, there is earmarked a sum sufficient for the sole purpose of funding expenses of members of the general assembly for meetings of study committees of the general assembly on which they serve; provided, that such expense payment is subject to approval by the speaker of the house

of representatives and the speaker of the senate in accordance with Tennessee Code Annotated, Section 3-1-106.

Item 34. The appropriation made to the court system in Section 1 of this act is reduced by the sum of \$370,900. It is the legislative intent that the funds be taken from the court system's operating budget to fund the judges' COLA.

Item 35. From state funds appropriated elsewhere in this act to defray the cost of the TennCare Program, a sum sufficient shall be earmarked and allocated for the sole purpose of contracting with an outside vendor to electronically verify the accuracy and completeness of the TennCare database of enrollee names, places of residence, social security numbers, and death information. Such contract shall require the outside vendor to initially match the entire TennCare enrollee file against the vendor's database.

On or before September 1, 2003, the TennCare Bureau shall submit a written report to each member of the General Assembly summarizing the outside vendor's findings as well as improvements in the accuracy and completeness of the TennCare enrollee database directly resulting from implementation of the provisions of this item.

Notwithstanding any provision of this act to the contrary, for all purposes other than earmarking and allocating state funds and rendering contract payments to the outside vendor, this item shall take effect on becoming a law, the public welfare requiring it; however, for purposes of earmarking and allocating state funds and rendering contract payments to the outside vendor, this item shall take effect on July 1, 2003, the public welfare requiring it.

Item 36. Any appropriation by the provisions of this act for funding of methadone treatment is subject to the following requirements:

(1) The department of mental health, the department of health and the TennCare bureau shall evaluate the effectiveness of the methadone treatment program and the extent to which methadone treatment shall be funded at current levels;

(2) Any reductions in funding for methadone treatment shall be redirected to other programs within mental health that would qualify for federal matching funds; and

(3) No payments for methadone treatment shall be made to patients, and future payments shall be made only to methadone treatment facilities, pursuant to a process developed by the department.

Item 37. The general assembly recognizes that demands on available state revenue are such that it may be necessary to establish priorities among state services and programs and to revise the methods of allocating state resources. Therefore, it is the legislative intent that local governments should consider in undertaking long-term obligations based on state payments, specifically state per diem payments for housing state inmates in local jails, that existing payments may be reduced or eliminated in the future and such not be regarded as the principal source of funding for debt repayment obligations.

Item 38. It is recognized that if Senate Bill 396 / House Bill 590 becomes a law, local governments may experience an increase in expenditures of up to \$100,000.

Item 39. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$1,500,000 to the state-shared revenue reduction mitigation account.

SECTION 11. The appropriations made by this act under Sections 1 and 4 to the Department of Education shall be subject to the following provisions, limitations, or restrictions:

Item 1. The appropriation made in Section 1, Title III-9, Item 2.1c, for the Basic Education Program (BEP), shall be administered pursuant to the provisions of the Education Improvement Act (Public Chapter No. 535 of the Public Acts of 1992).

Item 2. From the appropriations made to the Department of Education under Section 1, Title III-9, of this act, the Department of Education is authorized to pay through disbursements to local education agencies (LEAs), for the benefit of eligible local education employees and their dependents, an amount not to exceed forty-five percent (45%) of the total statewide cost, based on the Basic Education Program (BEP) formula, of such persons' participation in the basic accident and medical expense insurance plan authorized by Tennessee Code Annotated, Title 8, Chapter 27, Part 3.

The Local Education Insurance Committee shall determine a calendar year 2004 plan of benefits and monthly premiums for each of the healthcare options offered through the "basic plan" it authorizes pursuant to Section 8-27-302, Tennessee Code Annotated which results, with reasonable certainty, in the provision of sufficient revenues to pay plan expenses and to provide for the funding of reserves for estimated incurred but unreported claims. The aggregate amount of funds obligated through the determination of the plans of benefits and the monthly premiums by the Local Education Insurance Committee shall not exceed the amount appropriated to the Department of Education, Basic Education Program's insurance component in this Act. The monthly premiums shall be subject to the approval of the Commissioner of Finance and Administration pursuant to Section 4-3-1006, Tennessee Code Annotated.

Item 3. From the appropriation made to the Department of Education under Section 1, Title III-9, of this act, for technology programs, there is hereby earmarked a sum sufficient for the expenditures of the Web Project.

Item 4. (a) From the amounts herein appropriated to the Department of Education in Section 1, Title III-9, Item 2.1c, the Basic Education Program, the sum of \$12,300,000.00 is for the purpose of making distributions during fiscal year 2003-2004 to local education agencies to address teacher salary equalization concerns identified by the Tennessee Supreme Court in Tennessee Small Schools, et al. v. Ned Ray McWherter, et al. These funds shall be distributed based upon the provisions of Tennessee Code Annotated, Section 49-3-366.

(b) From the amounts herein appropriated to the Department of Education in Section 1, Title III-9, Item 2.1c, the Basic Education Program, the sum of \$27,243,100.00 is for the purpose of making distributions during fiscal year 2003-2004 to begin addressing further teacher salary equalization concerns identified in 2002 by the Tennessee Supreme Court in the case cited in paragraph "a" above. It is the legislative

intent that these funds be distributed to increase average instructional salaries to a target of \$37,000, with an amount of approximately \$5.9 million of these funds dedicated to holding harmless school systems not receiving additional salary equalization funds under this appropriation. The Commissioner of Education, with approval of the Commissioner of Finance and Administration, shall distribute these funds separately but according to allocations determined utilizing the Basic Education Program funding formula. The Commissioner of Education shall report to the Commissioner of Finance and Administration and the chairmen of the Finance, Ways and Means committees and Education committees of the Senate and House of Representatives on the use each local education agency makes of the funds distributed for this purpose.

Item 5. Under the provisions of Tennessee Code Annotated, Sections 49-3-357 and 49-3-358 pertaining to interest accruing on investments and deposits to the Education Trust Fund and the Basic Education Program, it is the legislative intent that only interest earnings be recognized and that no interest expense be charged to the fund and the program.

Item 6. The Department of Education shall submit to the Office of Legislative Budget Analysis the revised BEP funding formula for the ensuing fiscal year no later than January 1 of each year.

SECTION 12.

Item 1. There is hereby appropriated the sum of three million dollars (\$3,000,000.00) to the Department of Human Services, which sum shall be in addition to all other appropriations made to the Department of Human Services and which sum shall be used for the sole purpose of increasing the amount available to social service contractors, as provided for in Tennessee Code Annotated, Title 71, Chapter 1, Part 2.

Item 2. It is the intent of the General Assembly that the Commissioner of Finance and Administration shall have the authority to promulgate, as public necessity rules pursuant to Tennessee Code Annotated, Section 4-5-209, those rules and regulations which concern the Medicaid/TennCare program and which require promulgation in order for the state to fiscally function (i) within the appropriations provided for the Medicaid/TennCare program or (ii) within the availability of revenues received for the Medicaid/TennCare program.

Item 3. There is appropriated to the State Treasurer the sum of one hundred thousand dollars (\$100,000) from the Criminal Injuries Compensation Fund for the purpose of granting the same to the organization created by Tennessee Code Annotated, Section 29-13-116; provided, the organization submits to the State Treasurer a plan specifying the use of the moneys and such plan is approved by the State Treasurer. No funds appropriated in this item may be used for lobbying public officials.

Item 4. In addition to the funds appropriated to the Department of Correction in Section 1, Title III-7, Item 2, State Prosecutions, there is hereby appropriated \$3,267,000 for the purpose of making payments to counties for housing state prisoners as provided in Section 10, Item 19, of this act.

Item 5. The provisions of this item shall take effect upon becoming law, the public welfare requiring it. In addition to any other funds appropriated by the provisions of this

act, there is appropriated a sum sufficient to the Department of Finance and Administration for distribution to the appropriate entities for the sole purpose of implementing House Bill 2003 / Senate Bill 1931, HB 2007 / SB 1935, HB 2008 / SB 1936, HB 2009 / SB 1981, HB 2010 / SB 1980, HB 2011 / SB 1979, HB 2012 / SB 1978, HB 2013 / SB 1977, HB 2014 / SB 1976, HB 2015 / SB 1975, HB 2016 / SB 1974, HB 2019 / SB 1971, HB 2030 / SB 1960, HB 2032 / SB 1959, HB 2033 / SB 1958, HB 2036 / SB 1943, HB 2037 / SB 1944, HB 2038 / SB 1942, HB 2039 / SB 1941, HB 2040 / SB 1940, HB 2041 / SB 1939, HB 2042 / SB 1938, HB 2046 / SB 1950, HB 2050 / SB 1954, HB 2051 / SB 1955, HB 2054 / SB 1927, HB 2056 / SB 1929, HB 2057 / SB 1930, HB 900 / SB 588, HB 2073 / SB 1991, HB 2072 / SB 1992, HB 1650 / SB 1371, HB 1991 / SB 1874, if such bills become law. It is the legislative intent that if funding is earmarked for implementation in such bills that the funds appropriated in this item be reduced accordingly.

Item 6. In addition to the funds appropriated in Sections 1 and 4 of this act, the following amounts are appropriated to the specified programs for the purpose of restoring reductions and programs for which reductions were recommended in the 2003-2004 Budget Document, as specified in Volume 2, Base Budget Reductions:

(a) To the Comptroller of the Treasury, Division of County Audit, in Section 1, Title III-5, Item 5.4, for the purpose of decreasing the current services departmental revenue estimate from counties by an offsetting amount, \$1,950,000 (operational reduction 2).

(b) To the Corrections Institute in Section 1, Title III-2, Item 2.6, for travel, \$33,000 (operational reduction 2).

(c) To the Department of Veterans Affairs in Section 1, Title III-2, Item 6, for field services, \$238,400; it being the intent to keep the four field offices open and to authorize the six full-time positions for those offices (operational reduction 1).

(d) To the Board of Probation and Parole, Probation and Parole Services, in Section 1, Title III-23, Item 1, for staffing, \$1,466,200; it being the intent to restore 47 full-time positions affecting caseload and field support services (operational reduction 2).

(e) To the Department of Correction, State Prosecutions, in Section 1, Title III-7, Item 2, for Safekeepers, for the purpose of decreasing the departmental revenue from counties estimate by an offsetting amount, \$753,100 (operational reduction 3).

(f) To the Department of Health, Population-Based Services, in Section 1, Title III-16, Item 3.5, for the Epilepsy program, \$205,200 (operational reduction 7).

(g) To the Department of Human Services, Community Services, in Section 4, Title III-17, Item 3.1, for Adult Protective Services, \$741,000 from departmental revenue for the purpose of maintaining the program and 20 full-time positions (operational reduction 13).

(h) To the Department of Human Services, Vocational Rehabilitation, in Section 1, Title III-17, Item 4.1, the following:

(1) for six centers serving deaf and hard of hearing clients, including outreach and interpretive services, \$46,900 from state appropriations and \$173,100 from federal grant funds (operational reduction 10).

(2) for the Personal Care Assistance program serving individuals with severe physical disabilities, \$165,000 (operational reduction 11).

(3) for the Prevention of Blindness program, \$80,500 (operational reduction 3).

(i) To the Department of Children's Services, Community Treatment Facilities, in Section 1, Title III-22, Item 10, for the community transition program, \$68,000 (operational reduction 8).

Item 7. In addition to the funds appropriated to the Judicial Department in Section 1, Title II, there is hereby appropriated an amount not to exceed \$838,600, of which \$736,600 is recurring and \$102,000 non-recurring, for the purpose of implementing Senate Bill 64 / House Bill 407, creating two criminal courts and one chancery court in Davidson County. This appropriation shall be effective only if Senate Bill 64 / House Bill 407 becomes a law.

Item 8. In addition to the funds appropriated in Section 1, Title III-6, Item 3, Wetlands Compensation Fund, there is hereby appropriated \$40,000 for the program. This appropriation shall be from the general fund only if the real estate transfer tax, effective July 1, 2003, is not apportioned by law to the Wetlands Acquisition Fund.

Item 9. In addition to the funds appropriated to the Department of Economic and Community Development in Section 1, Title III-8, Item 4, Tennessee Industrial Infrastructure Program, there is hereby appropriated \$1,500,000, which is a non-recurring appropriation.

Item 10. In addition to the funds appropriated to the Department of Children's Services in Section 1, Title III-22, Item 1, Administration, there is hereby appropriated \$79,100 for the purpose of establishing one (1) registered nurse position to provide oversight of pharmacy and medical services provided to children in child welfare programs and youth development centers.

Item 11. In addition to the funds appropriated to the Department of Children's Services in Section 1, Title III-22, Item 1, Administration, there is hereby appropriated \$195,000 for the purpose of establishing four (4) full-time positions for Title VI compliance issues affecting child welfare services and other departmental programs.

Item 12. In addition to the appropriations in Section 1 of this act, there is hereby appropriated \$3,500,000 from the real estate transfer tax, to be allocated to the following programs, as authorized by Tennessee Code Annotated Section 67-4-409, as amended by Senate Bill 1991 / House Bill 2073, if such bill becomes a law. This item is subject to said bill becoming a law:

- | | | |
|--|----|-----------|
| (a) To the 1986 Wetland Acquisition Fund, | \$ | 1,421,900 |
| (b) To the Local Parks Land Acquisition Fund, | \$ | 765,600 |
| (c) To the State Lands Acquisition Fund, | \$ | 656,300 |
| (d) To the Agricultural Resources Conservation Fund, | \$ | 656,200. |

Item 13. The provisions of this item shall take effect upon becoming law, the public welfare requiring it. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum sufficient to the Department of Finance and Administration for distribution to the appropriate entities for the sole purpose of implementing House Bill 474 / Senate Bill 305; HB 948 / SB 842; HB 1258 / SB 149; HB 1257 / SB 634; HB 1032 / SB 885; HB 1802 / SB 1746; HB 1305 / SB 940; HB 1359 / SB 1718; HB 833 / SB 907; HB 1322 / SB 479; HB 739 / SB 434; and HB 407 / SB 64, if such bills become law. It is the legislative intent that if funding is earmarked for implementation in such bills that the funds appropriated in this item be reduced accordingly.

Item 14. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum sufficient for the sole purpose of implementing Senate Bill 1874 / House Bill 1991 and Senate Bill 899 / House Bill 832 if such bills become law.

Item 15.

(1) There is appropriated from departmental revenue from the lottery for education account a sum sufficient to the Tennessee Student Assistance Corporation ("TSAC") for the sole purpose of funding costs of implementing a state lottery scholarship program, if legislation providing for such scholarship program becomes law. From this appropriation, TSAC is authorized to establish additional positions, subject to prior review and approval by the commissioner of finance and administration.

(2) There is appropriated from departmental revenue from the lottery for education account a sum sufficient to the Tennessee Higher Education Commission ("THEC") for the sole purpose of funding costs of implementing a state lottery scholarship program, if legislation providing for such scholarship program becomes law. From this appropriation, THEC is authorized to establish additional positions, subject to prior review and approval by the commissioner of finance and administration.

(3) There is appropriated a sum sufficient to fund any other costs necessary to implementing a state lottery scholarship program, if legislation providing for such scholarship program becomes law.

Item 16.

(1) There is appropriated from departmental revenue available from the Tennessee education lottery corporation a sum sufficient to the comptroller of the treasury for the sole purpose of funding increased costs necessary for the comptroller to conduct audits and other activities related to implementation and administration of a state lottery, if legislation implementing a state lottery becomes law. From this appropriation, the comptroller of the treasury is

authorized to establish additional positions, subject to prior review and approval by the commissioner of finance and administration.

(2) There is appropriated from departmental revenue available from the Tennessee education lottery corporation a sum sufficient to the Tennessee bureau of investigation for the sole purpose of recognizing increased costs necessary for the TBI to conduct criminal background checks and other activities related to implementation and administration of a state lottery, if legislation implementing a state lottery becomes law. From this appropriation, the TBI is authorized to establish additional positions, subject to prior review and approval by the commissioner of finance and administration.

(3) There is appropriated a sum sufficient to fund any other costs necessary to implementing a state lottery, if legislation implementing a state lottery becomes law.

Item 17. It is hereby recognized that Senate Bill 1570/ House Bill 1424 will result in a revenue loss of \$45,550, if such bill becomes a law.

Item 18. From funds in the Statutory Reserve Fund established by Tennessee Code Annotated, Section 4-31-108(i), a sum sufficient not to exceed one million dollars (\$1,000,000), is hereby appropriated to the Tennessee Local Development Authority to be loaned to local government units for the purpose of acquisition and improvement of certain mental health and mental retardation facilities.

Item 19. Subject to passage of Senate Bill 1718 / House Bill 1359, from the funds appropriated for defraying expenses of state government with respect to leased facilities in this act and other acts of the legislature, the Commissioner of Finance and Administration, with the approval of the state building commission, is authorized to transfer a sum or sums sufficient to the debt service fund as required for any debt issued under such authorization.

Item 20. To provide the debt service on the general obligation bonds authorized under Senate Bill 907 / House Bill 833, there is hereby appropriated a sum sufficient from funds available to the state funding board pursuant to agreements entered into thereunder.

Item 21. Subject to passage of Senate Bill 907 / House Bill 833, from the funds appropriated to the Tennessee Board of Regents for defraying operating expenses in this act and other acts of the legislature, with the approval of the state building commission a sum sufficient is appropriated to be used for payments to the state funding board as required for any debt issued under such authorization.

Item 22. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$53,000 to the military department for the sole purpose of making a grant in such amount to the Tennessee state guard, to be used for operating expenses and other purposes to carry out the duties of the Tennessee state guard.

Item 23. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$441,900 to the Department of Children's Services for the sole purpose of restoring juvenile court prevention grants to counties, including

healthy start programs, to be used for continuing such grants and programs. It is the legislative intent that such funds shall replace the loss of TANF funding.

Item 24. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$1,500,300 to the Department of Human Services for the sole purpose of restoring vocational rehabilitation funding, to be used for continuing such program and maximizing the utilization of federal funds.

Item 25. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum sufficient for the purpose of funding early childhood education programs. It is the legislative intent that the amount of these funds be limited to the amount needed to provide continued funding of programs previously funded through federal Temporary Assistance to Needy Families (TANF) funds. This appropriation is subject to Senate Bill 1 / House Bill 1, and Senate Bill 437 / House Bill 787, becoming law, and authorizing the use or appropriation of funds for early childhood education.

Item 26. In addition to the funds appropriated to the comptroller of the treasury, state board of equalization, in Section 1, Title III-5, item 5.10, there is hereby appropriated \$559,700 for property reappraisal grants (restores operation reduction number 5 and grant reduction number 2).

Item 27. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$200,000 for the purpose of restoring reductions in state funding of family resource centers.

Item 28. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$525,100 to the department of health for the sole purpose of continuing the residential homes for the aged reimbursement program. It is the legislative intent that this appropriation be a recurring item.

SECTION 13. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it.

Item 1. There is hereby appropriated from the Reserve for Casualty Losses, established under the provisions of Tennessee Code Annotated, Title 12, Chapter 3, Part 9, the necessary funds for payment of losses sustained under the annual aggregate deductible authorized by said law. The Commissioner of Finance and Administration is authorized to transfer any amounts herein appropriated to the capital projects fund, general fund, highway fund or other fund.

Further, to the extent that appropriations are made from the Reserve for Casualty Losses in the fiscal year ending June 30, 2003, it is the legislative intent that said Reserve be established in the amount of not less than five million dollars (\$5,000,000.00), in addition to an amount necessary to fund any unpaid loss from a prior year. Sufficient funds are hereby appropriated to establish the Reserve in that amount.

The provisions of this item shall only be effective if SB 692 / HB 1994 does not become a law.

Item 2. For the fiscal year ending June 30, 2003, there is hereby appropriated from the Reserve for Casualty Losses, established under the provisions of Tennessee Code Annotated, Title 12, Chapter 3, Part 9, a sum sufficient for the purpose of funding any unpaid loss at June 30, 2003, said amount to be reserved and carried forward into fiscal year 2003-04.

For the fiscal year ending June 30, 2004, there is appropriated an amount not to exceed five million dollars (\$5,000,000.00) for the purpose of funding property insurance premiums assessed against state agencies and departments pursuant to SB 692 /HB 1994. The Commissioner of Finance and Administration is authorized to transfer this appropriation to the various state agencies and departments for purposes of payment of such premiums and to adjust federal and departmental revenues accordingly. There is further appropriated sums sufficient from dedicated and earmarked revenues to provide the comparable allocation of appropriations to those agencies and programs funded by dedicated and earmarked revenues.

The provisions of this item shall only be effective if SB 692 / HB 1994 becomes a law.

SECTION 14. The appropriations made by this act and all other appropriations, including appropriations of departmental revenues as set forth in Section 4 of this act, except such as may be made for the expenses of the Legislative Branch, and the appropriations made for the Judiciary, including the Attorney General and Reporter, District Attorneys General, Public Defenders, and the Office of the Post-Conviction Defender, the Secretary of State, Comptroller of the Treasury and State Treasurer, shall be obligated and expended under the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 4, Part 51, which shall remain in full force and effect; and in case of conflict with any other law, the provisions of such laws shall prevail, except as otherwise herein specifically provided. All appropriations except those made by acts authorizing bond issues and expenditures thereof and those excepted from obligations and expenditure hereinabove, though made by other statutes, shall likewise be obligated and expended under the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 4, Part 51.

SECTION 15.

Item 1. No part of the fund appropriated to any department, office, instrumentality, or agency of the state government shall be expended in any other such entity, but if the head of any department, office, commission or instrumentality of the state government finds that there is a surplus in any classification, division, or unit under such entity, and a deficiency in any other division, unit or classification, then in that event the head of such department, office, commission or instrumentality of the state government may transfer such portion of such funds as may be necessary for the one division, unit or classification where the surplus exists to the other, except as otherwise provided herein, provided such transfer is approved by the Commissioner of Finance and Administration. Such transfer of funds pursuant to this item shall be subject to the approval of a majority of a committee composed of the Speaker of the Senate, the Speaker of the House and the Comptroller of the Treasury.

Item 2. The Commissioner of Finance and Administration may establish in any department, office, commission or instrumentality of the state government a clearing account through which all salaries and wages, including the state's portion of retirement,

insurance, social security, etc., may be disbursed. In the event such accounts are established, department records shall be maintained showing the distribution of such amounts among the various appropriation codes, and any financial reports shall present expenditures as if such expenditures had been made through the individual appropriation accounts.

Item 3. The Commissioner of Finance and Administration shall have power and authority to refuse, with the approval of the Governor, to approve or honor any and all requisitions for purchases, except requisitions for purchases authorized by the Legislative Branch, including the Secretary of State, Comptroller of the Treasury and State Treasurer, and the Judiciary, including the Attorney General and Reporter. In case any division or function of government for which an appropriation is provided in this act or otherwise, shall be transferred from an existing department, to any other department, such transfer shall automatically result in the appropriation for such transferred division or function becoming available to the department to which such transfer is made for the purposes of such transferred division or function.

Item 4. From the appropriations made to the various state departments and agencies under this act, and other general acts appropriating money, there may be paid any expenses incurred by said departments and agencies for the purpose of conducting and serving as host for regional or national conferences of which such departments or agencies may be members. Before any funds shall be expended under this authorization, the amount and purpose of the proposed expenditure shall be approved by the Commissioner of Finance and Administration.

Item 5. Notwithstanding any provision of law to the contrary, no state department or agency in the Executive Branch of state government is authorized to make organizational changes within such department or agency without the prior approval of the Commissioner of Finance and Administration. Where such organizational changes require a transfer of funds between organizational accounts and are contrary to the manner in which appropriations have been made herein, approval of said transfers is subject to approval by the Commissioner of Finance and Administration and by a majority of a committee composed of the Speaker of the Senate, the Speaker of the House and the Comptroller of the Treasury.

Item 6. The Commissioner of Finance and Administration is authorized to draw-down disputed federal funds and to reserve the funds to prevent their expenditure until the dispute is settled; and the Commissioner of Finance and Administration in consultation with the State Treasurer is authorized to allocate interest earnings on the draw-down of disputed federal funds and to pay interest earnings to the federal government in those instances when expenditures are ultimately disallowed.

Item 7. The Commissioner of Finance and Administration is authorized to impose a reasonable real estate transaction fee on all real estate transactions when the transaction is processed through the Department of Finance and Administration. Said fee structure shall be subject to approval by the State Building Commission.

Subject to the approval of the State Building Commission, there is hereby appropriated a sum sufficient to replace any real estate transaction fees that are waived.

Item 8. The Commissioner of Finance and Administration and the State Treasurer, with approval of the State Comptroller, shall develop and implement a policy to recover state funds and the state's costs associated with checks, warrants, drafts, and electronic funds transfers deposited to a state account that are subsequently returned unpaid by the drawer's bank.

Item 9. The Commissioner of Finance and Administration is authorized to maintain an indirect cost recovery plan to recognize overhead costs associated with the operations of the Tennessee Regulatory Authority, Wildlife Resources Agency, Department of Financial Institutions, Housing Development Agency and the regulatory boards and commissions not under the administration of the Department of Commerce and Insurance or the Department of Health. The Commissioner is further authorized to charge the departments and agencies covered by the indirect cost recovery plan for their individual overhead costs.

Item 10. The Commissioner of Finance and Administration is authorized to establish a state regulatory fee not to exceed \$5.00 for one year and \$10.00 for two years. The fee shall be in lieu of any allocation of indirect costs which would otherwise be allocated to the regulatory boards covered by the provisions of Tennessee Code Annotated, Section 4-3-1011(b)(2).

Item 11. If any appropriation in this act fails to designate a department or agency of state government to be responsible for the administration of the appropriation, then the Commissioner of Finance and Administration is hereby directed to designate the state department or agency to administer the appropriation.

Unless otherwise directed by language in this act, appropriation grants to agencies outside of state government shall be administered in such manner as the Commissioner of Finance and Administration shall determine. Direct appropriation grants for the benefit of agencies outside of state government may be administered by the Department of Finance and Administration.

Item 12. For the purposes of this item, the term "chief fiscal officer" shall mean the position within a state agency that has overall daily responsibility for the oversight of the fiscal operation for that agency. The Commissioner of Personnel in consultation with the Commissioner of Finance and Administration shall designate and classify position(s) within each agency of the Executive Branch of state government as chief fiscal officer(s) for that agency. Qualifications and appointments to fill existing or future vacancies shall be in accordance with procedures established by the Commissioner of Personnel with the approval of the Commissioner of Finance and Administration.

Item 13. From the appropriations made in this act to pay the salaries of state employees who are hired on or after July 1, 2003, the Commissioner of Finance and Administration is authorized to require that those salaries be paid through direct-deposit procedures.

Item 14. The Commissioner of Finance and Administration is hereby authorized to adjust departmental revenue and reserve estimates and related expenditures: (a) for internal service funds and enterprise funds to record fees received for services provided to departments, agencies, boards, and commissions and (b) to record payment for services provided to state agencies by another state agency.

Item 15. The Commissioner of Finance and Administration is hereby authorized to adjust departmental revenue and related expenditures to recognize (a) the carry-over of federal funds and other departmental revenues that were budgeted and allotted but unexpended or unobligated at June 30; (b) an increase in the federal rate of reimbursement or match in federal programs so that there is less state expense or the additional federal funds are available to meet increasing costs without improving programs; and (c) an unexpected increase in federal grant funds so that there is less state expense or the additional federal funds are available to meet increasing costs without improving programs.

Item 16. The Commissioner of Finance and Administration is hereby authorized to adjust the estimates of federal block grant funds and other federal grant-in-aid funds estimated in Section 4 and Section 31 of this act to reflect the actual allocations of federal revenues made available to the State of Tennessee by the federal government.

SECTION 16.

Item 1. Each department, division or agency for the benefit of which an appropriation is made herein and which participates in the Consolidated Retirement System, shall pay from such appropriation monthly such sums as may be due such Consolidated Retirement System as the state's contribution from such department, division or agency.

Item 2. The appropriation in Section 1, Title III-21, to the Consolidated Retirement System of the State of Tennessee in the amount of \$8,400,000 is for retirement contribution for certain county officials and county judges. It is the legislative intent that the appropriation equal revenue collected and apportioned under the provisions of Tennessee Code Annotated, Title 67, Chapter 4, Part 6 and Tennessee Code Annotated, Section 8-37-604, for county judges and county officials, and the Commissioner of Finance and Administration shall increase or decrease the appropriation for those officials accordingly.

Item 3. The appropriation in Section 1, Title III-21, to the Consolidated Retirement System of the State of Tennessee in the amount of \$125,000 is for retirement contribution for certain General Sessions Judges. It is the legislative intent that the appropriation equal revenue collected and apportioned under the provisions of Tennessee Code Annotated, Title 67, Chapter 4, Part 6, for General Sessions Judges, and the Commissioner of Finance and Administration shall increase or decrease the appropriation for those judges accordingly.

Item 4. The State Treasurer, with the approval of the Commissioner of Finance and Administration, shall have authority to transfer any increase in the appropriation for county officials' and county judges' retirement contributions between the organizational units or programs benefiting from said appropriations. Such transfers shall be limited to the appropriations made for judicial and administrative officials of county governments, provided, however, that the State Treasurer, with the approval of the Commissioner of Finance and Administration, shall have authority to consolidate the assets of the retirement plans for elected and appointed officials for accounting and funding purposes. Such consolidations shall be limited to retirement plans with common employers.

Item 5. Whenever any law relating to retirement matters is passed by the General Assembly which does not affirmatively state that it has application to participating political subdivisions and it is subsequently determined by the retirement division that such act or provision thereof mandates increased liability to a participating political subdivision within the meaning of Article II, Section 24, of the Tennessee Constitution, compliance with the provisions of such act or acts shall be optional to the political subdivision. Upon discovery by the retirement division that an enactment increases liabilities to the local governments, notice of the effect of such enactment shall be given to the governing body by the retirement division within a reasonable time after discovery. The governing body of each political subdivision shall upon notification of the effect of the law, advise the retirement division of its desire to be covered by the provisions of the act within four (4) months of the date of notice. All participating political subdivisions which do not elect to be covered by the provisions of the enactment shall be excluded from the provisions thereof.

SECTION 17.

Item 1. From the appropriations made herein, the various departments, agencies, boards and commissions of state government shall pay on behalf of each participating employee within the respective departments, agencies, boards and commissions, not less than eighty percent (80%) of the cost of each individual's participation in the basic group medical insurance program and one hundred percent (100%) of the cost of twenty thousand dollars (\$20,000.00) of basic term life insurance coverage and forty thousand dollars (\$40,000.00) of basic special accident insurance coverage for each participating employee; such basic medical, life and accident insurance program to be established pursuant to Tennessee Code Annotated, Title 8, Chapter 27, Part 2.

The employer contribution amounts established by the State Insurance Committee for eligible participating employees shall not exceed, in the aggregate, the amounts appropriated in this Act. The State Insurance Committee shall determine a calendar year 2004 plan of benefits and monthly premiums for each of the healthcare options it authorizes pursuant to Section 8-27-201, Tennessee Code Annotated which result, with reasonable certainty, in the provision of sufficient revenues to pay plan expenses and to provide for the funding of reserves for estimated incurred but unreported claims. For purposes of this item, the State Insurance Committee shall assume a total increase in cost of twelve percent (12%) to be funded by a seven percent (7%) premium increase and benefit adjustments expected to reduce plan costs by five percent (5%). The monthly premiums and the employer contribution amounts shall be subject to the approval of the Commissioner of Finance and Administration pursuant to Section 4-3-1006, Tennessee Code Annotated.

Item 2. From the appropriations made herein the Department of Military is hereby authorized to pay, on behalf of each participating national guardsman called up to state active duty, the cost of each individual's participation in the state-approved Group Life Insurance Plan for national guardsmen called up to state active duty. The provisions of Tennessee Code Annotated, Title 8, Chapter 27, Part 2, shall apply.

Item 3. The State Insurance Committee shall establish and maintain, within the appropriations made in this act for supplemental medical insurance for retired state employees and retired teachers and in accordance with Tennessee Code Annotated, Section 8-27-702, the respective contribution levels to be made by the state on behalf of

the eligible participating retirees. The annualized contribution rate established by the Committee for the eligible participating employees shall not exceed the amount appropriated in this act, and the rate established is subject to approval by the Commissioner of Finance and Administration.

Item 4. It is the legislative intent that the State Insurance Committee establish a schedule of premium payments for retirees participating in the group insurance plan under the provisions of Tennessee Code Annotated, Section 8-27-205(b).

Item 5. The Commissioner of Finance and Administration is hereby authorized to establish positions and make appropriate adjustments to the Insurance Administration budget to reflect changes in the contractual arrangements for medical and other insurance coverage provided to state insurance plan participants. The establishment of additional positions and the allotment of additional departmental revenue are subject to approval by the State Insurance Committee.

SECTION 18. From the appropriations made by this act, claims for official travel expenses of state employees and members of boards and commissions, notwithstanding any provision of the law to the contrary, shall be subject to the provisions of comprehensive travel regulations as approved by the Attorney General and the Commissioner of Finance and Administration under the provisions of Tennessee Code Annotated, Section 4-3-1008.

SECTION 19. Whenever similar or duplicate appropriations are made in this act to those carried in any other act, such appropriation herein shall not be deemed as a supplemental appropriation, it being the legislative intent that there shall be no overlapping appropriations for equivalent amounts; but if this act simply supplements the appropriations made by the other act, then such supplemental appropriation shall be valid. The same shall apply to similar or duplicate appropriations made solely within this act.

SECTION 20. Notwithstanding the provisions of Tennessee Code Annotated, Title 54, Chapter 2, Part 2, to the contrary, whenever the State of Tennessee has any surplus lands or other surplus real properties which are sold or conveyed during the fiscal year ending June 30, 2004, the proceeds from the sale of such lands or other real property shall be subject to the provisions of Tennessee Code Annotated, Section 12-2-112.

SECTION 21. The Board of Standards, may, if it considers such action in the interest of the state, authorize the Director of Purchasing to negotiate for the purchase of computer programs and associated software systems without following the procedures set out in Tennessee Code Annotated, Title 12, Chapter 3, relative to requisitioning and the receipt of bids. Such purchases shall be made at and for the best possible price, and each such purchase shall be confirmed by the Board of Standards before becoming effective. This exception shall not apply to the purchase of computer equipment machinery or associated hardware, but the same shall continue to be acquired in accordance with the procedures set out in Tennessee Code Annotated, Title 12, Chapter 3.

SECTION 22. Notwithstanding the provisions of Tennessee Code Annotated, Title 66, Chapter 29, warrants, drafts, and checks drawn on the State Treasury that have not been redeemed within twelve months of issue date shall be cancelled and written off the state's books with the funds reverting to the fund of issue. Subsequent claims by the payee of said instruments, shall be honored upon receipt of documentation to substantiate the claim. The

Commissioner of Finance and Administration and the State Treasurer shall develop a plan to ensure the state's compliance with the unclaimed property law.

SECTION 23. It is hereby declared to be the legislative intent that the Commissioner of Finance and Administration revise the funding recommendations and personnel summaries contained in the Budget Document to conform with this act, other general acts of this Session and any other actions which affect the level of departmental or other such revenue. Said revised summaries shall be provided to the Office of Legislative Budget Analysis, Finance, Ways and Means Committees of the Senate and House of Representatives and to the Office of the Comptroller of the Treasury and Fiscal Review Committee. The Commissioner of Personnel shall submit a monthly report to the office of legislative budget analysis regarding positions that have been overlapped for ninety (90) days or more. In addition, the budget as introduced shall indicate the number of positions overlapped on the date of introduction.

In establishing allotments from the appropriations herein made, the Commissioner of Finance and Administration may establish total spending authorizations in the amount of the specific appropriation from state revenues herein made, plus the estimated federal and departmental revenues estimated to be available as presented in the revised funding summaries cited above. In the event federal and departmental revenues for any particular program, appropriation code, or other classification are less than the amount estimated to be available under the allotments then and to that extent the spending authorizations are hereby reduced; to the extent that federal or departmental revenues in excess of the amounts allotted are realized, such excess shall not constitute increased spending authorizations, except under the conditions herein specified.

In establishing the allotments herein authorized, the Commissioner of Finance and Administration shall divide the total spending authorizations by allotment code, into two subdivisions, as follows:

1. Personal Services and Benefits
2. Other Operating Expenses

No state agency shall establish new programs nor expand programs, including any programs involving federal or other funds, beyond the scope of those already established, recognized and approved by the legislature, as reflected in the revised summaries cited above, until the program and the availability of the money is submitted by the Commissioner of Finance and Administration to the Finance, Ways and Means Committee chairmen and until said committee chairmen have acknowledged in writing receipt thereof, to the Commissioner of Finance and Administration. Provided, however, that capital outlay program projects and the availability of funding shall be submitted to the State Building Commission to be acknowledged.

SECTION 24.

Item 1. Notwithstanding any provision of the law to the contrary, the heads of the respective departments for which appropriations are made in Section 1, Titles I, II, III-1, Items 1, 3, 5, and 7, are authorized to revise their respective budgets and personnel authorizations within the appropriations made in Sections 1 and 4 of this act and to submit those revised summaries to the Commissioner of Finance and Administration, who shall incorporate them into the revised funding recommendations and personnel

summaries and allotments and spending authorizations required by Section 23 of this act.

Item 2. All funds appropriated in Section 1, Title III-1, Items 3, 5 and 7 and in Section 4, Title III-1, Items 3, 5 and 6 shall be administered in a ministerial capacity by the Department of Finance and Administration in accordance with budgets and any revisions thereto of the respective entities for which such appropriations are made. Such budgets and any revisions thereto shall be subject to the concurrence of the Speaker of the Senate and Speaker of the House of Representatives.

SECTION 25. Except where sovereign immunity has been or shall hereafter be expressly waived by the General Assembly, all appropriations of state revenues and departmental revenues made in this act and in prior acts to the state, its departments, agencies, boards, educational institutions, instrumentalities, and incorporated entities performing the state's governmental functions shall be state funds and shall be protected by the state's sovereign immunity from every court's judgment, decree, attachment, or other legal process; provided, however, that any statutory or other provision authorizing an agency, board, or entity to sue and be sued shall not constitute a waiver of sovereign immunity.

SECTION 26. From the appropriation made for the General Assembly under Section 1, Title I, payment shall be made for, but not limited to, the following items:

1. Any lawful expenses of the One Hundred Third General Assembly, for which funds have not been obligated on June 30, 2003, such funds herein appropriated as are required may be made available during the fiscal year ending June 30, 2003.

2. The lawful expenses of the One Hundred Third General Assembly.

3. The cost of staffing, maintaining and operating the offices of the Speaker of the Senate and the Speaker of the House of Representatives, including necessary travel and other expenses incident to said offices, not covered by Title I, Items 3 and 4, of this act.

4. Such expenses as may be incurred for maintaining legislative facilities including the maintenance and staffing and such other expenses as may be necessary to provide offices and other services to members of the General Assembly and their staff in state facilities in Nashville.

5. Expenses and travel pay to legislators for each day when attending conferences, workshops, and other official meetings, both within and without the State of Tennessee, when said travel is approved by the Speaker of the Senate and/or the Speaker of the House of Representatives. Payments shall be at the same rate provided for members of the standing committees of the General Assembly when meeting between sessions. Provided, further, that reimbursement may be made to legislators for registration fees incurred while attending conferences and meetings as may be approved by the Speaker of the Senate and/or the Speaker of the House of Representatives.

6. Expenses and travel pay allowed to members of the Joint Legislative Services Committee as authorized under Tennessee Code Annotated, Section 3-1-106, and to

members of the Fiscal Review Committee, as authorized under Tennessee Code Annotated, Section 3-7-102.

7. The Speakers may transfer to the Office of Legislative Services and the Office of Legal Services for the General Assembly and to the Fiscal Review Committee sufficient funds to enable them to complete all studies assigned to them by the One Hundred Third General Assembly, and to furnish such help as may be required by standing, select and joint committees of the General Assembly.

8. Membership dues to the National Conference of State Legislatures, similar service organizations, and such other conferences as may be approved by the Speaker of the Senate and the Speaker of the House of Representatives. Such payments may be made quarterly or in accordance with other partial payment plans.

9. Any expenditures for legislative purposes called for by resolutions or joint resolutions properly adopted by either or both Houses of the General Assembly.

10. Payment of expenses to any member, as provided by law, for attendance at any meeting of any standing, special, or select committee of the General Assembly, whether such meeting occurs during or between sessions of the General Assembly. Such expenses for meetings held between sessions shall be paid at the same rate as provided in the general law for meetings held while the General Assembly is in session.

11. In addition to appropriations made under Section 1, Title I, there is hereby appropriated a sum sufficient to cover any increase automatically occurring under mandate of law in any compensation, benefits, or expenses funded under Section 1, Title I.

All items listed above, together with any other expenses for the General Assembly, upon the approval of the Speaker of the Senate and/or the Speaker of the House of Representatives, shall be paid through the Office of Legislative Administration, who shall also be authorized to make arrangements for, and incur obligations incident to, any convening of the One Hundred Third General Assembly, including but not limited to such items as contracts for the reproduction of bills, the printing of a daily legislative service, and the Tennessee Legislative Record.

Provided, further, that during any period when the Offices of the Speaker of the Senate or the Speaker of the House of Representatives are vacant, or otherwise upon authority of the Speakers, the Director of the Office of Legislative Administration is hereby authorized to do any act which the Speaker might do under the provisions of this section.

The provisions of the section shall not be construed to countermand any general act passed by the One Hundred Third General Assembly.

SECTION 27. The Speaker of each House of the General Assembly shall be paid from funds appropriated to the General Assembly the following sums:

Seven hundred fifty dollars (\$750.00) for their ex officio services during any session of the General Assembly; plus the sum of five thousand seven hundred dollars (\$5,700.00) annually for local office expenses in their county of residence which will be

in addition to the cost of maintaining and operating offices in the State Capitol. In addition, each Speaker shall be allowed the same amount for expenses and travel pay as that provided for members of the standing committees of the General Assembly when meeting between sessions, for attending meetings of standing, select, or joint committees of the General Assembly or when absent from their county of residence on official duty as Speaker. When the Speaker, Majority Leader, Senate Floor Leader or House Majority Whip travel by conveyance owned by such person, travel pay may be allowed on the basis of actual cost.

The allowance for ex officio duties authorized by this section shall be paid at the request of each Speaker at any time after adjournment of a session. The amount authorized hereby for local office expenses shall be paid annually on or after November 1st of each year at the request of each Speaker. Requests for payments shall be addressed to the Director of the Office of Legislative Administration and need not be accompanied by a list of expenditures for which allowances the reimbursements are claimed. Payments for attending meetings between sessions or when absent from county of residence shall be paid from time to time on request of each Speaker.

SECTION 28. In order to prevent duplication of effort and to establish professional standards, audits to be performed by internal audit staffs or grantees of departmental activities funded from appropriations made in this act shall be coordinated with the Office of the Comptroller of the Treasury, and such reports as may be issued shall be prepared in accordance with standards established as required by law by the Comptroller of the Treasury. No department, agency, institution, board, or commission shall cause internal auditing to be performed by persons who do not meet the job specifications for internal auditors established by the Commissioner of Personnel and approved by the Commissioner of Finance and Administration.

SECTION 29. The appropriations to public institutions of higher education set forth in Section 1 of this act shall be subject to the conditions and limitations set forth in this section, and shall not be subject to other provisions of this act except as otherwise expressly stated.

Item 1. Salaries to be paid from the appropriations made to educational institutions shall be fixed as follows:

The President and the staff of the University of Tennessee, by the Board of Trustees; the Presidents and staffs of the institutions within, and the Chancellor and staff of, the State University and Community College System of Tennessee, by the Board of Regents; and the Directors and staffs of the technology centers by the Board of Regents; all of which shall be within the appropriations provided and available for said purposes.

Item 2. Each higher education institution, including technology centers, shall report to the commissioner of finance and administration, the Tennessee higher education commission, and the office of legislative budget analysis, the actual amount of expenditures for maintenance and operation of the physical plant, exclusive of utilities, for the fiscal year, and any deviation in these expenditures from the amounts recommended in the funding formula for these purposes, prorated to reflect actual funding levels appropriated in this act.

Item 3. All institutional revenues of any kind collected by the institutions in the course of their operations for their own use are hereby appropriated to the institutions in addition to the specific appropriations made by this act.

Item 4. It is the intent of the General Assembly that there shall be consistent fee charges among the public institutions of higher education of the state, subject to the nature and scope of the institutions, and that the State Board of Regents and the Board of Trustees of the University of Tennessee shall consult with the Higher Education Commission before establishing the fee schedules for the universities, community colleges and technology centers.

Item 5. The appropriations herein for higher education and appropriations of all higher education departmental and institutional revenue are subject to the provisions of Tennessee Code Annotated, Title 9, Chapter 4, and subsections (4) and (5) of Tennessee Code Annotated, Section 4-3-1006. Within the general requirements of these provisions, the Commissioner of Finance and Administration, in consultation with the Comptroller of the Treasury and the Higher Education Commission, shall specify the content and procedures for submitting operating budgets and revisions thereto. The operating budgets shall be submitted to the Higher Education Commission by the respective governing boards. The Higher Education Commission shall then submit such operating budgets with their comments to the Department of Finance and Administration for approval. In addition, the appropriations in this act to institutions of higher education shall be subject to the requirements, restrictions and controls of the State Board of Claims and the State Building Commission in the same manner as other agencies of the state. The governing boards shall submit to the Office of Legislative Budget Analysis both the original and revised operating budgets proposed. The Tennessee Higher Education Commission shall submit to the Office of Legislative Budget Analysis the revised higher education funding formula for the ensuing fiscal year no later than December 1 of each year.

Item 6. From the appropriations made herein, institutions of higher education are hereby authorized to pay, on behalf of each participating employee, a percentage amount equal to the amount paid by other agencies of the state of the cost of each employee's participation in the state-approved Group Insurance Plan for state employees.

Item 7. Except where sovereign immunity has been or shall hereafter be expressly waived by the General Assembly, all appropriations of state funds and institutional revenues made in this act and prior acts to institutions of higher education shall be state funds and shall be protected by the state's sovereign immunity from any court's judgment, decree, attachment, or other legal process, provided that any statutory or other provision authorizing any entity to sue and be sued shall not constitute a waiver of sovereign immunity.

Item 8. The appropriation in Section 1, Title III-21, Miscellaneous Appropriations, for State School Bond Authority - Debt Service, in the amount of forty thousand, three hundred dollars (\$40,300.00) is for benefit of education institutions with academic buildings funded through the State School Bond Authority which are listed in Chapter 858, Public Acts of 1972.

Item 9. From the appropriations made in this act and other appropriations acts, the budgetary units in higher education shall pay to the Division of Retirement, Department of the Treasury, the employer's share of retirement and social security costs including the additional benefit costs associated with pay raises funded from fees, revenues, payroll savings or any other funding source.

Item 10. The appropriations in this act for Centers of Excellence and Campus Centers of Emphasis are subject to allocation by the Higher Education Commission and the Commissioner of Finance and Administration. In allocating the appropriation for Centers of Excellence, a consideration shall be planned reductions to existing expenditures to supplement funding for the centers. The obligation and expenditure of funds appropriated for Centers of Excellence shall be subject to oversight by the special joint committee of the General Assembly created pursuant to the provisions of the Comprehensive Education Reform Act of 1984.

Item 11. From the funds appropriated in Section 1, Title III-10, the Tennessee Higher Education Commission is authorized to allocate the desegregation funds among the various institutions and entities to insure the most effective use of those funds.

Item 12. The Higher Education Commission is hereby authorized to collect fees for the use of its video conferencing facilities and is appropriated a sum sufficient from fees collected for this purpose. Such fees shall be utilized solely for the purpose of replacing equipment in the facility. Any unexpended balance as of June 30, 2004, shall not revert to the general fund and is hereby reappropriated in the 2004-05 fiscal year.

Item 13. From the appropriation to the Tennessee Higher Education Commission in Section 1, Title III-10, for desegregation activities and community service grants, any unexpended balance at June 30, 2004, shall not revert to the general fund balance and is hereby reappropriated in the 2004-05 fiscal year.

Item 14. There is hereby appropriated a sum sufficient to pay insurance claims filed by lending institutions under the provisions of the Federal Family Education Loan Program and the costs associated with administering that program. Provided, however, such payments shall be made and such costs shall be paid from funds and reserves received and maintained by the Tennessee Student Assistance Corporation for the Federal Family Education Loan Program and the State of Tennessee shall in no way be liable for such claims.

Item 15. In addition to any other funds appropriated by the provisions of this act, there is appropriated to the Student Assistance Corporation all reserve balances now held by the Corporation for the Student Loan Program authorized by Tennessee Code Annotated, Title 49, Chapter 4, Part 5. It being the legislative intent that these reserves may be used to cover any expenditures resulting from over-awards of assistance to students enrolled during the 2003-2004 academic year under the Student Assistance Program and may use that portion of earnings from the Student Loan Program reserves to conduct the training, administration and default management for students, schools and lenders in the Federal Family Education Loan Program, Part 4 and the Student Loan Program, Part 5. The allotment of funds appropriated by this item shall be subject to the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 4, Part 51.

Item 16. From the appropriation to the Tennessee Student Assistance Awards in Section 1, Title III-10, any unexpended balance at June 30, 2004 and/or any prior year appropriations recovered from prior recipients by June 30, 2004, shall not revert to the fund balance but shall be added to the reserve balances now held by the Student Assistance Corporation for the Student Loan Program authorized by Tennessee Code Annotated, Title 49, Chapter 4, Part 5.

Item 17. Proceeds collected from prior recipients of the teacher loan/scholarship programs authorized by Tennessee Code Annotated, Title 49, Chapter 4, Parts 2 and 7 shall not revert to the fund balance but shall be deferred and added to the funds appropriated in the succeeding year for expenditure as awards in the Teaching Scholars Program (Tennessee Code Annotated, Section 49-4-212).

Item 18. Proceeds collected from prior recipients of the Minority Teaching Fellows Program authorized by Tennessee Code Annotated, Title 49, Chapter 4, Part 7 shall not revert to the fund balance but shall be deferred and added to the funds appropriated in the succeeding year for expenditure as awards in the Minority Teaching Fellows Program (Tennessee Code Annotated, Section 49-4-706).

Item 19. There is hereby appropriated a sum sufficient to the Tennessee Student Assistance Corporation from accumulated interest earnings in the Academic Scholars Program (Tennessee Code Annotated, Section 49-4-203) and in the Christa McAuliffe Scholarships Program (Tennessee Code Annotated, Section 49-4-705).

Item 20. There is hereby appropriated a sum sufficient to the Baccalaureate Education System Trust Board of Directors from fees and other charges for participation in the prepayment tuition program operated by the board under the provisions of Tennessee Code Annotated, Section 49-7-810.

Item 21. The capital outlay projects listed in the 2003-2004 Budget Document and which are identified with the heading "Proposed Capital Projects from School Bonds and Other Sources, Fiscal Year 2003-2004," are presented for informational purposes only. The projects are subject to recommendation and approval procedures involving the higher education institutions and their governing boards, the Tennessee Higher Education Commission, Finance and Administration, the Tennessee State School Bond Authority, the State Funding Board and the State Building Commission.

The following proposed capital outlay projects, to be funded from institutional and local funds, are in addition to those projects listed on pages A-139 and A-140 in the 2003-2004 Budget Document:

Austin Peay State University Memorial Health Center Student Recreation Upgrade	\$ 6,500,000
Middle Tennessee State University Student Health, Wellness and Recreation Facilities	\$ 17,500,000
Middle Tennessee State University Parking Master Plan Phase I	\$ 6,250,000

SECTION 30. Salaries provided under the appropriations made in Sections 1 and 4 of this act to the respective departments, institutions, offices and agencies shall be fixed as under the provisions of Tennessee Code Annotated, Title 8, Chapter 23.

Within the appropriations made for the Office of the Attorney General and Reporter under this act, the salaries of the attorneys, legal and clerical staff and other employees shall be fixed by the Attorney General. The expenditures provided for herein shall not exceed the amount of the appropriation to the Office of the Attorney General and Reporter.

The salaries of all employees of the Judicial Branch, except those whose salaries are set by law, shall be fixed by the Director of the Administrative Office of the Courts with the approval of the Chief Justice of the Supreme Court. The compensation of the judges, chancellors, and justices of the state's trial and appellate courts shall be set in accordance with Tennessee Code Annotated, Section 8-23-103.

Within the appropriations herein made, the salaries of the subordinates and employees of the Treasurer, Comptroller, Secretary of State, and the Fiscal Review Committee shall be fixed by the heads thereof, respectively, and the salaries of the employees and subordinates of the Joint Legislative Services Committee shall be fixed by such committee in accordance with the provisions of Tennessee Code Annotated, Title 3, Chapters 10 through 14, inclusive; all other salaries and wages in departments, institutions, offices and agencies shall be approved by the Commissioner of Personnel, provided, however, that the establishment of salary ranges within such departments, institutions, offices and agencies shall be subject to the approval of the Commissioner of Finance and Administration. To the extent that additional funds are appropriated or are generated within a department or agency by abolishing vacant and funded positions, subject to review and approval of the Commissioner of Finance and Administration and the Commissioner of Personnel, salary increases may be granted from such funds.

Employee promotions shall be reported to the General Assembly under the provisions of Tennessee Code Annotated, Section 8-30-211(b).

SECTION 31. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it. Under the provisions of Section 4 and Section 23 of this act, it is the legislative intent to appropriate the proceeds of federal block grant programs, as assumed by the State of Tennessee, in the following manner:

1. Social Services block grant in the amount of \$13,100,000 to the Department of Human Services and in the amount of \$21,210,500 to the Department of Children's Services.
2. Mental Health Services block grant in the amount of \$8,220,900 to the Department of Mental Health and Developmental Disabilities.
3. Child Care Development Funds block grant in the amount of \$110,600,000 to the Department of Human Services.
4. Maternal and Child Health block grant in the amount of \$13,560,400 to the Department of Health.
5. Preventive Health block grant in the amount of \$4,199,800 to the Department of Health.

6. Community Services block grant in the amount of \$12,000,000 to the Department of Human Services.

7. Low Income Energy Assistance block grant in the amount of \$16,500,000 to the Department of Human Services.

8. Substance Abuse Prevention and Treatment block grant in the amount of \$30,717,500 to the Department of Health.

9. Temporary Assistance to Needy Families (TANF) block grant in the amount of \$213,100,000 to the Department of Human Services.

10. Small Cities Community Development block grant in the amount of \$30,915,000 to the Department of Economic and Community Development. Said sum being the estimated allocation of funds for the federal fiscal years 2002-2003 and 2003-2004 combined.

Provided, however, that all expenditures of any community development block grant funds in addition to those appropriated and enumerated in this section shall be subject to the following limitations and restrictions:

The Housing and Community Development Act of 1981 made it possible for states to assume administration of the small cities Community Development Block Grant (CDBG) previously administered by the U.S. Department of Housing and Urban Development (HUD). In Tennessee, the CDBG Program shall be administered by the Department of Economic and Community Development (ECD).

There shall be appropriated by the General Assembly to ECD such funds as may be allocated to Tennessee by the federal government for the CDBG Program. The state-administered CDBG Program shall be developed within the parameters of the CDBG legislation, applicable federal regulations, and consultation with citizens and elected officials in Tennessee.

The CDBG goals shall be three-fold: (1) target on areas of economic distress, (2) stimulate the growth of jobs and income in these areas, and (3) maximize the number of grantees. Additionally, all CDBG projects must meet one of the three national objectives of (1) principally benefiting persons of low and moderate income, (2) elimination or prevention of slums and blight, or (3) elimination of conditions detrimental to health, safety or public welfare. ECD shall be authorized to make grants and/or loans of CDBG monies to eligible city and county governments in Tennessee to achieve these goals. Loan payments and interest shall be reserved for reappropriation and shall not revert to the general fund balance at year end.

Eligible applicants shall be all city and county governments in Tennessee except those cities of and counties designated by HUD as CDBG entitlement areas. Cities excluded from the state-administered CDBG Program include Memphis and Shelby County, Nashville (Davidson County), Chattanooga, Knoxville and Knox County, Clarksville, Bristol, Johnson City, Oak Ridge, Murfreesboro, Kingsport and Jackson. These cities and counties will receive their CDBG funds directly from HUD.

Based upon an anticipated CDBG allocation in the federal fiscal years 2003 and 2004 of \$30,915,000 each year, the following target funding levels shall be established:

	Federal FY '03	Federal FY '04
Administrative Costs	\$ 718,300	\$ 718,300
Industrial Location/ Expansions/ Retentions	11,853,900	11,853,900
Community Livability	1,751,800	1,751,800
Water/Sewer/Solid Waste	13,342,900	13,342,900
Housing and Neighborhood Revitalization	2,248,100	2,248,100
Set-Aside	1,000,000	1,000,000

A fifty percent (50%) reduction in any category will be permitted to facilitate proper program management and allow administrative flexibility. The funds so reduced shall be allocated to other categories with priority given to water/sewer/solid waste projects.

Selection criteria for project approvals shall be uniform within categories, objective and quantitative, and shall be based on project need, project feasibility, project impact, community need, and, for community livability projects, essentialness.

Project application materials will be supplemented, as appropriate, by site visits and by informed opinions of state agencies knowledgeable about particular projects.

The level of CDBG assistance for individual projects shall be determined by the following factors: (1) the percent of project beneficiaries that have family incomes below the low and moderate income (LMI) levels, (2) a maximum grant and/or loan of \$750,000.00 for individual projects (\$300,000.00 for community livability projects), (3) a maximum grant and/or loan to any applicant of \$750,000.00 in two successive years, and (4) the grantee's ability-to-pay. Higher grant levels (up to \$1,000,000.00) may be approved for regional projects.

If modifications in the expenditure plan for the CDBG Program are required, said modifications shall be accomplished in the following manner: (1) if the General Assembly is in session such modifications shall be approved by the General Assembly, or (2) if the General Assembly is not in session, the Governor may, (a) submit such modifications to the State Funding Board for approval or, (b) call a special session of the General Assembly for approval.

SECTION 32. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it. The unexpended appropriations made to the Department of Economic and Community Development (ECD) for the purpose of making grants and loans to local governments and businesses for job creation and/or retention are subject to reversion to the general fund balance at June 30, 2003. Subject to the availability of revenue, the Commissioner of Finance and Administration is authorized to carry forward any unexpended balance or transfer any part of the unexpended balance to the Revenue Fluctuation Reserve at June 30, 2003. The Commissioner shall report to the Chairmen of the Finance, Ways and Means Committees of the Senate and House of Representatives the disposition of the unexpended appropriations.

In the 2003-2004 fiscal year it is the legislative intent that new commitments made by the Commissioner of Economic and Community Development for grants in the TIIP program and industrial training service program shall not exceed the appropriations made for those purposes

in Section 1 of this act. The Commissioner is authorized, subject to the concurrence of the State Funding Board, to determine that amount of new commitments unlikely to be accepted based on historical program trends and may over-commit to the extent of such determination. In no event may such over-commitments exceed thirty percent (30%) of the appropriations available for new grants. It is further the legislative intent that in the 2003-2004 fiscal year the TIIP program and the industrial training service program be managed so that actual expenditures and obligations to be recognized at June 30, 2004 shall not exceed any available reserves and appropriations of the programs.

No less frequently than quarterly, the Commissioner of Economic and Community Development shall report to the Commissioner of Finance and Administration the status of the TIIP and industrial training service appropriation, such report to include at least the following information: the amount of each commitment accepted since the previous report and the name of the company receiving the benefit of such commitment, the total outstanding commitments and the total unobligated appropriation. A copy of each such report shall be transmitted to the Speaker of the House and the Speaker of the Senate, the Chairmen of the Finance, Ways and Means Committees, the State Treasurer and the State Comptroller.

No single contract shall be made for more than seven hundred fifty thousand dollars (\$750,000) provided, however, that for extraordinary economic development projects of major employment and investment significance, additional funding may be provided with the approval of the state funding board.

These funds shall be used for industrial training and industrial infrastructure under the following provisions:

1. A grant or loan will be made only where there is a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and private investment, or where, in the opinion of the Commissioner of Economic and Community Development such investment will have a direct impact on employment and investment opportunities in the future.

2. Eligible businesses shall be limited to (a) manufacturing and other types of economic activities which export more than half of their products or services outside of Tennessee, (b) businesses where more than half of their products or services enters into the production of exported products, (c) uses which primarily result in import substitution on the replacement of imported products or services with those produced in Tennessee, (d) other types of economic activity determined by the Commissioner of ECD to have a beneficial impact on the economy of Tennessee.

3. Grants may be made to local governments or to their economic development organizations or other political subdivisions of the state for industrial infrastructure and for industrial site preparation. Infrastructure grants may include system improvements or line extensions. Infrastructure grants may not be applied to private land or to land which is expected to become privately owned.

4. Grants may be made to eligible businesses for industrial training under the following conditions: (a) to support the training of new employees for locating or expanding industries, (b) to support the retraining of existing employees where retraining is required by the installation of new machinery or production processes.

5. In determining the level of grant assistance for infrastructure and site preparation consideration shall be given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates.

The Commissioner of Finance and Administration is authorized to transfer a sum sufficient to the Division of Community Development and to the Industrial Training Service to provide for grants made under those programs.

SECTION 33. On or before January 31 of each calendar year, the Center for Business and Economic Research of the University of Tennessee shall cause to be published a comprehensive report on the state's economy. Said report shall be based on projections from the Tennessee Econometric Model and such other information as the Center may deem appropriate. The report shall contain projections for ten years (beginning with the calendar year preceding the year in which the report is due) of the annual economic activity (level and percent change over prior year) for each of the state's major economic sectors; shall include ten-year projections of selected economic indicators, as specified by the State Funding Board; and shall also include a narrative description of the short-term and long-term prospects for economic and business activity in the state based on these indicators. Quarterly projections shall also be published if available.

Said report shall be distributed to the Governor and the other members of the State Funding Board. The State Funding Board shall report to the General Assembly as provided in Tennessee Code Annotated, Section 9-4-5202.

SECTION 34. The provisions of this section shall take effect upon becoming law, the public welfare requiring it. From the appropriations made in Chapter 842, Public Acts of 2002, the Commissioner of Finance and Administration is authorized to make transfers from the appropriations made:

Item 1. To the District Attorneys General in Section 1, Title III-1-2.

Item 2. To the Department of Finance and Administration in Section 1, Title III-2-3, and to adjust federal aid and other departmental revenue accordingly.

Item 3. To the Department of Agriculture in Section 1, Title III-3, and to adjust federal aid and other departmental revenue accordingly.

Item 4. To the Department of Environment and Conservation in Section 1, Title III-5, and to adjust federal aid and other departmental revenue accordingly.

Item 5. To the Department of Economic and Community Development in Section 1, Title III-8.

Item 6. To the Department of Education in Section 1, Title III-9, and to adjust federal aid and other departmental revenue accordingly.

Item 7. To the Department of Safety in Section 1, Title III-20, and to adjust federal aid and other departmental revenue accordingly.

SECTION 35. The Commissioner of Finance and Administration is authorized to make the following transfers from the appropriations made in this act:

Item 1. To the Judicial Branch in Section 1, Title II, but excluding appropriations for Indigent Defendants Counsel, Civil Legal Representation, Verbatim Transcripts and Board of Law Examiners.

Item 2. In Sections 1 and 4 for the IV-D Child Support Program, a reallocation of positions and funds between the District Attorneys General and the Department of Human Services is authorized.

Item 3. To the Department of Correction in Section 1, Title III-7, and to adjust the number of authorized positions within the department's authorized level.

Item 4. To the Department of Labor and Workforce Development in Section 1, Title III-13, and to adjust federal aid and other departmental revenue accordingly.

Item 5. To the Department of Mental Health and Developmental Disabilities in Section 1, Title III-14, and to adjust federal aid and other departmental revenue accordingly.

Item 6. To the Department of Military in Section 1, Title III-15, and to adjust federal aid and other departmental revenue accordingly.

Item 7. To the Department of Health in Section 1, Title III-16, and to adjust federal aid and other departmental revenue accordingly.

Item 8. From the appropriations made to the Department of Human Services and the TennCare Program in Section 1, for eligibility determination for the Medicaid Program and various federal family assistance programs, the Commissioner of Finance and Administration is authorized to reallocate appropriations between the department and program, and to adjust federal and departmental revenue estimates accordingly, in order to reflect actual costs of eligibility determination services and Medicaid case management services.

Item 9. To the Department of Human Services in Section 1, Title III-17, and to adjust federal aid and other departmental revenue accordingly.

Item 10. To the Department of Revenue in Section 1, Title III-18 and to adjust departmental revenue accordingly.

Item 11. The appropriations made in Section 1, Title III-21, Miscellaneous Appropriations, are authorized to be allocated and transferred to the appropriate organizational units and programs of state government by the Commissioner of Finance and Administration. For each appropriation so allocated and transferred, there is further appropriated sum sufficients from dedicated and earmarked revenues to provide for the comparable allocation of appropriations to those agencies and programs funded by dedicated and earmarked revenues. The appropriation for the Homeland Security Emergency Fund is subject to approval by the director of Homeland Security.

In addition to the appropriations made in Section 4 of this act, there is hereby appropriated to the organizational units and programs of state government all federal aid

funds and departmental revenue earnings associated with the allocation and transfer of Miscellaneous Appropriations authorized under the preceding paragraph in this item.

Item 12. To the Department of Children's Services in Section 1, Title III-22, and to adjust federal aid and other departmental revenue accordingly.

Item 13. To the Department of Finance and Administration – Mental Retardation in Section 1, Title III-24, and to adjust federal aid and other departmental revenue accordingly.

Item 14. To the Department of Finance and Administration, TennCare Program in Section 1, Title III-25, and to adjust federal aid and other departmental revenue accordingly.

Item 15. To the Department of Transportation in Section 1, Title III-29, to provide additional funds for resurfacing as determined by the Commissioner of Transportation.

Item 16. To the Department of Transportation in Section 1, Title III-29, to recognize administrative reorganizations and to adjust authorized positions, federal aid and other departmental revenue accordingly.

SECTION 36. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it. Subject to the availability of funding at June 30, 2003, any unexpended balances of appropriations made under Chapter 842, Public Acts of 2002, other acts of this General Assembly or acts by previous General Assemblies, listed in this section are hereby reappropriated to be expended in the 2003-2004 fiscal year and such appropriations shall be carried forward in a reserve into the fiscal year beginning July 1, 2003. The reappropriation and carry forward of these funds is subject to approval by the Commissioner of Finance and Administration. Unless otherwise noted, the unexpended balances reappropriated are authorized under Chapter 842, Public Acts of 2002, and they are the appropriations made:

Item 1. For data processing services, systems development, data processing equipment purchases and leases and telephone systems purchases and leases. The Commissioner of Finance and Administration is authorized to transfer from the amounts carried forward sums sufficient for the computer equipment replacement fund and to the systems development fund.

Item 2. Notwithstanding any provision of law to the contrary, all funds appropriated to the Legislative Branch which remain unobligated and unexpended at the end of any fiscal year, shall not revert to the general fund but shall be carried forward in a reserve to be expended in accordance with the approval of the Speaker of the House of Representatives and the Speaker of the Senate. This item shall not be subject to the approval of the Commissioner of Finance and Administration.

Item 3. To the Judicial Branch in Section 1, Title II, but excluding the appropriations for Indigent Defendants' Counsel, Civil Legal Representation, and Verbatim Transcripts. If the fees collected by the Board of Law Examiners are less than the appropriation(s) to the Board, the carry forward amount shall be the difference between fees collected and expenditures. The reappropriated funds shall be expended for the integrated computer system for the Tennessee court system under the provisions

of Tennessee Code Annotated, Section 16-3-807. This item shall not be subject to the approval of the Commissioner of Finance and Administration.

Item 4. To the Secretary of State for publication of the Blue Book under Section 36, Item 4.

Item 5. To the Department of State, Regional Libraries, in Section 36, Item 5.

Item 6. To the Department of Finance and Administration in Section 36, Item 6 to fund the Safe Neighborhoods Act of 1998.

Item 7. To the Department of Personnel in Section 36, Item 7 for a classification-compensation study.

Item 8. To the Department of Agriculture the unexpended balance of revenues from timber sales at state forests and state parks.

Item 9. To the Department of Environment and Conservation, Land Reclamation, in Section 1, Title III-5, Item 18.

Item 10. To the Tennessee Historical Commission in Section 1, Title III-5, for the Tennessee Wars Commission.

Item 11. To the Tennessee Historical Commission the unexpended funds from any prior appropriations for publications, historical markers and other historical activities.

Item 12. To the Department of Education for the Basic Education Program and withheld from local education agencies in the fiscal year ending June 30, 2003, for non-compliance with the Education Improvement Act.

Item 13. To the Department of Education for the purpose of implementing Chapter No. 554 of the Public Acts of 2000, regarding the coordinated school health program.

Item 14. All funds received by the Department of Education in support of the Tennessee Education Technology Conference and which remain unobligated and unexpended at the end of any fiscal year shall not revert to the general fund but shall be carried forward in a reserve to be expended for the purposes of such program.

Item 15. All funds from private foundations received by the Department of Education in support of the Marco Polo initiative and which remain unobligated and unexpended at the end of any fiscal year shall not revert to the education fund but shall be carried forward in a reserve to be expended for the purposes of such program.

Item 16. All funds appropriated to the Department of Education for the purposes of the state testing programs which remain unobligated and unexpended at the end of any fiscal year shall not revert to the general fund but shall be carried forward in a reserve to be expended for the purposes of such programs.

Item 17. To the Tennessee Higher Education Commission in Section 1, Title III-10 for desegregation activities and community service grant funds.

Item 18. To the Department of Mental Health and Developmental Disabilities in Section 1, Title III-14 for housing initiatives for the seriously and persistently mentally ill.

Item 19. To the Department of Safety in Section 1, Title III-20, for the production of license plates.

Item 20. For services to children for whose education the state is directly responsible and the funds were paid to the Department of Children's Services under the provisions of Tennessee Code Annotated, Section 49-3-363.

Item 21. To the Department of Children's Services in Section 1, Title III-22. Subject to the availability of revenue, the Commissioner of Finance and Administration is authorized to carry forward funds to provide for office relocation costs and the loss of federal SSBG funds in the fiscal year 2003-2004.

Item 22. To the Department of Children's Services in Section 1, Title III-22, Item 4, Adoption Services, for any grant agreement/contract approved by the Commissioner of Finance and Administration for the purpose of adoption placement and finalization for youth with special needs.

Item 23. To the Department of Transportation in Section 1, Title III-29, Item 2, for equipment purchases.

Item 24. To the Department of Transportation for any appropriations which are reserved at June 30, 2003.

Item 25. To the Department of Personnel in Section 1, Title III-2, Item 4 to fund the Leadership Development Initiative (LDI).

Item 26. To the Human Rights Commission in Section 1, Title III-2, Item 2.4 an amount not to exceed \$200,000.

Item 27. To the Department of Children's Services in Section 1, Title III-22. Subject to the availability of revenue, the Commissioner of Finance and Administration is authorized to carry forward funds to provide for a statewide needs assessment of child welfare services.

Item 28. To the Administrative Office of the Courts from the unexpended balance of revenue from the gift received to benefit the Hillman Taylor Library in Memphis.

Item 29. To the District Attorneys General from revenues earned from the Department of Human Services for Food Stamp fraud prosecution activities, the unexpended balance of such funds, not to exceed \$100,000.

Item 30. To the Alcoholic Beverage Commission from the unexpended balance of departmental revenues of the alcohol server responsibility and training program authorized by Tennessee Code Annotated Title 57, Chapter 3, Part 7.

Item 31. To the District Attorneys General, Executive Director, an amount not to exceed \$49,000, to be used for leased office space renovation.

Item 32. To the Independent Tax Structure Study Commission in Section 12, Item 20.

SECTION 37. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it. Subject to the availability of revenue at June 30, 2003, any unexpended balances of appropriations made under Chapter 842, Public Acts of 2002, other acts of this General Assembly or acts by previous General Assemblies for benefit of an agency of local government or a third-party nonprofit organization for which there is a grant agreement/contract approved by the Commissioner of Finance and Administration are hereby reappropriated to be expended in the 2003-2004 fiscal year and such appropriations shall be carried forward in a reserve into the fiscal year beginning July 1, 2003. The Commissioner of Finance and Administration shall provide a list of any unexpended balances carried forward to the Director of Accounts and to the Division of State Audit. The reappropriation and carry forward of these funds is subject to approval by the Commissioner of Finance and Administration.

SECTION 38. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it. There is hereby appropriated the following amounts which shall be in addition to the appropriations provided under Chapter 842, Public Acts of 2002:

Judicial		
1.	Guardian ad Litem.....	\$ 300,000.00
2.	Indigent Defendants' Counsel	4,000,000.00
	Total Judicial	\$ 4,300,000.00
Department of Correction		
1.	State Prosecutions	\$ 10,400,000.00
Department of Education		
1.	BEP and Other LEA Support.....	\$ 14,300,000.00
Department of Finance and Administration – Mental Retardation		
1.	Middle Tennessee Region – Jordan Center.....	\$ 5,700,000.00
	Total Finance and Administration – Mental Retardation.....	\$ 5,700,000.00
Miscellaneous Appropriations		
1.	Rent	\$ 307,200.00
2.	Retired Teachers Health Insurance	1,301,000.00
	Total Miscellaneous Appropriations	\$ 1,608,200.00
	TOTAL	\$ 36,308,200.00

The Commissioner of Finance and Administration is authorized to allot and transfer these appropriations to the appropriate expenditure account within each department, agency or branch of government and to adjust authorized positions accordingly. The Commissioner of

Finance and Administration is further authorized to adjust federal aid and departmental revenues accordingly.

SECTION 39. The provisions of this section shall take effect upon becoming law, the public welfare requiring it. There is hereby appropriated from departmental revenues and federal aid funds the amounts hereinafter set out:

	<u>2002-2003</u>	<u>2003-2004</u>
Department of State		
1. Secretary of State	\$25,000	\$ 202,800
Commissions		
1. Tennessee Housing Development Agency	\$0	\$ 382,200
Education		
1. Technology, Infrastructure, and Support Systems	\$400,000	\$ 889,500
2. School Nutrition Programs	0	15,000,000
3. Special Education Services	20,000,000	40,000,000
Total Education	\$ 20,400,000	\$55,889,500
Labor and Workforce Development		
1. Tenn. Occupational Safety & Health Administration	\$330,000	\$ 330,000
2. Boilers and Elevators	0	351,300
Total Labor and Workforce Development	\$330,000	\$ 681,300
Health		
1. Maternal and Child Health	\$2,108,400	\$ 1,625,100
2. Communicable and Environmental Disease Services	919,900	6,853,300
3. Population-Based Services	50,000	50,000
4. Women, Infants, and Children (WIC)	4,872,300	4,872,300
5. Local Health Services	1,702,800	2,171,800
Total Health	\$9,653,400	\$15,572,500
Safety		
1. Highway Patrol	\$75,000	\$ 300,000
TOTAL	\$30,483,400	\$73,028,300

The Commissioner of Finance and Administration is authorized to establish 32 full-time positions and to allocate them to the appropriate organizational units. At June 30, 2003, any unexpended balances of departmental revenues and federal aid funds appropriated in this section are hereby reappropriated in the fiscal year beginning July 1, 2003.

SECTION 40. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it. There is hereby appropriated a sum sufficient to recognize any accrued liability of the state and any obligations between state agencies at June 30, 2004 and federal aid and departmental revenues may be adjusted accordingly. This appropriation is subject to certification of the accrued liability and obligations between state agencies by the Commissioner of Finance and Administration to the State Comptroller.

SECTION 41. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it.

Item 1.

(1) All savings of appropriations made in this act from employer FICA taxes as a result of employee participation in any Section 125 cafeteria plan established for state employees are hereby appropriated in the following sequence:

(a) An amount sufficient to implement and pay the cost of administering the cafeteria plan established for such employees is hereby appropriated for that purpose. From the appropriation made in this item, the State Treasurer, with the approval of the Commissioner of Finance and Administration, is authorized to fund recurring and non-recurring costs of administering the cafeteria plan established for such employees; and

(b) An amount up to but not exceeding \$20,000 to support Automated Teller Machines (ATM's) in the capital complex; and

(c) An amount up to but not exceeding \$550,000 for the wellness program or other state employee insurance programs administered by the Department of Finance and Administration; and

(d) An amount up to but not exceeding \$220,000 for the daycare program for children of state employees as administered by the Department of Human Services, provided that allotment of funds under this sub-item is subject to approval of the Commissioner of Finance and Administration; and

(e) An amount up to but not exceeding \$85,500 to fund the administrative costs of the state employee sick leave bank administered by the Department of Personnel; and

(f) The amount remaining to provide a source of funding for the employer match to the state's 401(k) plan for state employees compensated on the centralized state payroll system pursuant to TCA, Title 8, Chapter 25.

(2) There is hereby appropriated in Section 1, Title III-21 of this act the sum of \$2,829,000 for the twenty dollar (\$20) match for state employees compensated on the centralized state payroll system if the amount appropriated from the employer FICA tax savings from the Section 125 cafeteria plan is insufficient.

(3) There is hereby appropriated a sum sufficient from employer FICA tax savings from the Section 125 cafeteria plan maintained by the University of Tennessee to provide for the employer match to the state's 401(k) plan for employees of institutions under the University of Tennessee system pursuant to TCA, Title 8, Chapter 25. Should this be insufficient to provide for the twenty dollar (\$20) match, there is appropriated in Section 1, Title III-10 of this act the sum of \$713,000 to supplement funding for such match.

(4) There is hereby appropriated a sum sufficient from employer FICA tax savings from the Section 125 cafeteria plan maintained by the board of regents system to provide for the employer match to the state's 401(k) plan for employees of institutions under the board of regents system pursuant to TCA, Title 8, Chapter 25. Should this be insufficient to provide for the twenty dollar (\$20) match, there is appropriated in Section 1, Title III-10 of this act the sum of \$1,497,000 to supplement funding for such match.

(5) The state treasurer shall have the authority to contract with the optional retirement plan vendors to provide investment products to optional retirement plan participants under the state's 401(k) program.

Item 2. The State Library and Archives Management Board in its discretion is hereby authorized to reallocate any remaining funds from the \$906,600.00 appropriated in Chapter 1037, Section 12, Item 124 of the Public Acts of 1988, for library construction at specific locations across the state, where projects have not developed, to other unspecified locations where future library construction projects may develop.

Item 3. The State Library and Archives Management Board in its discretion is hereby authorized to reallocate any remaining funds from the \$1,000,000.00 appropriated in Chapter 1011, Section 12, Item 13 of the Public Acts of 1994 for library construction in specific locations and counties across the state, where projects have not developed to other unspecified locations and counties where future library construction projects may develop.

Item 4. There is hereby appropriated a sum sufficient from earmarked and/or dedicated agency revenues and reserves to provide for the costs of implementing the state's underground storage tanks program. The Commissioner of Finance and Administration shall allocate the costs to the individual agencies and establish the appropriations required from revenues and reserves available to the individual agencies.

Item 5. There is hereby appropriated a sum sufficient from general fund interest earnings for the purpose of funding the State of Tennessee's liability under IRS regulations for arbitrage interest earnings on proceeds from general obligation debt.

Item 6. There is hereby appropriated a sum sufficient from general fund interest earnings for the purpose of funding the state's liability for the exchange of interest with the federal government as provided for in the Cash Management Act of 1990.

Item 7. There is hereby appropriated a sum sufficient to provide for a consultant's services in review of accounts receivable management for the State of Tennessee and for the implementation of those recommendations to the extent the recommendations are approved by the Commissioner of Finance and Administration. It is the intent of the legislature that said appropriation shall be funded from revenues collected from accounts receivable. The Commissioner of Finance and Administration may establish such positions as may be required to cost-effectively implement such recommendation. The Commissioner also is authorized to allocate a portion of the revenues collected to the appropriate organizational units and programs of state government and to adjust federal aid and other departmental revenue accordingly. Each allocation shall be a one-time

incentive to maximize accounts receivable collections and shall be used to fund non-recurring items only.

Item 8. There is hereby appropriated a sum sufficient for the purpose of implementing an employee maintenance policy by the Department of Finance and Administration effective July 1, 2003. It is the legislative intent to hold harmless employees affected by the maintenance policy who were employed as of June 30, 1998. The Commissioner of Finance and Administration is authorized to allocate the appropriation to the appropriate organizational units and programs of state government and to adjust federal aid and departmental revenue allotments accordingly.

Item 9. There is hereby appropriated a sum sufficient to the Tennessee Industrial Finance Corporation from any revenues available to the organization to be expended under the provisions of Tennessee Code Annotated, Section 4-17-404.

Item 10. There is hereby appropriated from dedicated revenues a sum sufficient to the Department of Commerce and Insurance, Division of Regulatory Boards, Real Estate Education and Recovery Fund, to provide for court-ordered payments and to print and distribute to all licensees a manual of laws and rules and regulations.

Item 11. Subject to the financial reporting requirement that the value of federal food stamps be recognized in the state's accounting system, there is hereby appropriated a sum sufficient from federal funds to recognize the value of food stamps.

Item 12. In addition to the appropriation made in Section 1, Title III-28, Item 3 for Highway Maintenance, and Item 5.5 for State Highway Construction in Chapter 842, Public Acts of 2002, there is further appropriated such amount as the Commissioner of Finance and Administration shall determine is available from tax revenues allocated to the highway fund and from the highway fund balance.

Item 13. In the fiscal year ending June 30, 2003 the carry forward and reappropriation of unexpended appropriations for major maintenance, authorized in Section 2, Item 1 of Chapter 842, Public Acts of 2002, shall be subject to approval by the Commissioner of Finance and Administration based upon the availability of revenues and reserves in the general fund at June 30, 2003.

Item 14. From the unexpended balances of the appropriations made under Section 1, Title III-21 of this act, there is hereby appropriated a sum not to exceed \$125,000.00 to reimburse the U.T. Center for Business and Economic Research for research assistance to the Department of Finance and Administration.

Item 15. From the unexpended balances of the appropriations made under Section 1, Title III-21 of this act, there is hereby appropriated a sum not to exceed \$40,000 to reimburse the U.T. Center for Business and Economic Research for services delivered under the state data center contract with the U.S. Census Bureau.

Item 16. In the fiscal year ending June 30, 2004, it is the legislative intent that the sum of two million dollars (\$2,000,000) be credited to the Health Access Incentive Account under the provisions of Tennessee Code Annotated, Section 66-29-121.

Item 17. From the funds appropriated by this act, the Commissioner of Finance and Administration is authorized to transfer a sum sufficient to the Department of General Services, Division of Motor Vehicle Management internal service fund for the acquisition of motor vehicles.

Item 18. The Commissioner of Finance and Administration shall have the authority to allocate savings generated from rate reductions from Office of Information Resources services to support modifications needed to be made to existing applications resulting from technology obsolescence or product nonperformance to extend the life of a system.

Item 19. Any unexpended real estate fees collected by the real property management division in the Department of Finance and Administration shall not revert to the general fund at June 30, 2004 but shall be carried forward in a reserve.

Item 20. From the handgun carry permit fees paid under the provisions of Tennessee Code Annotated, Section 39-17-1351 and the provisions of Chapter 476, Public Acts of 1997, any unexpended permit fees at June 30, 2003, are hereby reappropriated to be expended in the 2003-2004 fiscal year and shall be carried forward in a reserve into the fiscal year beginning July 1, 2003.

Item 21. From the privilege tax on litigation apportioned for fingerprint imaging systems grants under the provisions of Tennessee Code Annotated, Section 67-4-602, any unexpended funds so apportioned shall not revert to the general fund at June 30, 2003, but shall be carried forward in a reserve to be expended for such grants in the succeeding fiscal years. Such funds are hereby reappropriated for that purpose.

Item 22. The appropriation made in Section 1, Title II, Item 6, of this act, for Civil Legal Representation shall be adjusted to an amount equal to the revenue collected in the fiscal year ending June 30, 2003, from the earmarked litigation tax levied pursuant to Tennessee Code Annotated, Section 67-4-602(f).

In addition to the preceding appropriation, there is hereby appropriated a sum sufficient not to exceed the revenue collected in the fiscal year ending June 30, 2004, from the earmarked bail bond tax levied pursuant to Tennessee Code Annotated, Section 67-4-806, for the purpose of developing and providing continuing education for professional Bail Bonding Agents and providing civil legal representation to low-income Tennesseans.

Item 23. There is appropriated to the Department of the Treasury a sum not to exceed \$164,400 from the criminal injuries compensation fund for grants to the District Attorneys General for domestic violence prevention and drug enforcement activities authorized under Tennessee Code Annotated, Section 29-13-116.

Item 24. There is hereby appropriated a sum sufficient to the Board of Probation and Parole from the reserves for parole and probation supervision and rehabilitation fees in the fiscal year ending June 30, 2004 under the provisions of Tennessee Code Annotated, Section 40-28-203(c).

Item 25. In the fiscal year ending June 30, 2004 there is hereby appropriated a sum sufficient to the Department of General Services, Property Utilization from revenues and reserves available to the division.

Item 26. From the unexpended balance of the appropriations made under Section 1, Title III-21 of the 2002 Appropriations Act, there is hereby appropriated a sum not to exceed \$10,000 to reimburse the U.T. Center for Business and Economic Research for the technical assistance provided in reviewing teacher salary equity issues.

Item 27. In the fiscal years ending June 30, 2003 and June 30, 2004 there are hereby appropriated sum sufficients to the Comptroller of the Treasury from the Telecommunications Ad Valorem Tax Reduction Fund to establish one position and to provide for the administration of the program and payments from the fund as provided by law.

Item 28. There is hereby appropriated a sum sufficient from the revenue generated under the provisions of Chapter 854, Public Acts of 2002, relative to funding parenting plans. The Commissioner of Finance and Administration is authorized to allot the appropriation as provided in Tennessee Code Annotated 36-6-413.

Item 29. In the fiscal years ending June 30, 2003 and June 30, 2004 there are hereby appropriated sum sufficients from the Sex Offender Treatment Fund pursuant to Tennessee Code Annotated, Section 39-13-709. Said appropriations shall be allocated under a plan developed by the Sex Offender Treatment Board.

Item 30. In addition to the funds appropriated in Sections 1 and 4 of this act and in Sections 1 and 4 of the 2002 Appropriations Act, there are hereby appropriated sum sufficients to the Office of the District Public Defenders Conference to implement the provisions of the Tennessee Code Annotated, Section 40-14-210. Additional positions as required are authorized to be established.

Item 31. In the fiscal years ending June 30, 2003 and June 30, 2004 there are hereby appropriated sum sufficients to the Office of the Attorney General from the balance of the Reserve for Attorney General Litigation Settlement.

Item 32. In the fiscal years ending June 30, 2003 and June 30, 2004 any fees collected by the Alcoholic Beverage Commission under the provisions of Tennessee Code Annotated, Section 57-3-709 that remain unexpended shall not revert to the general fund.

Item 33. In the fiscal years ending June 30, 2003 and June 30, 2004 there are hereby appropriated sum sufficients to the Department of Environment and Conservation from revenues and reserves available in the Dry Cleaners Environmental Response Fund.

Item 34. The appropriation made in Section 1, Title III-21, Miscellaneous Appropriations for Homeland Security Emergency Fund shall not revert to the general fund balance at June 30, 2004.

Item 35. In the fiscal years ending June 30, 2003 and June 30, 2004 any unexpended state appropriations made for homeland security purposes may be

reserved to be carried forward to the next fiscal year. Said reserve is subject to the availability of revenue and to the approval of the Commissioner of Finance and Administration.

Item 36. In addition to the departmental revenues appropriated in Public Acts of 2002, Chapter 842, and in Section 4 of this act, there is hereby appropriated \$40,058,000 from federal homeland security grant programs, subject to the following provisions:

(a) A sum sufficient of this federal revenue is hereby appropriated for expenditure in the year ending June 30, 2003, and the unexpended balance in the year ending June 30, 2004. The allotment of these funds is subject to approval of the Commissioner of Finance and Administration, and the distribution among state and local agencies shall be subject to approval of or under procedures of the state Homeland Security Council.

(b) A portion of these federal funds may be used to establish three (3) regional offices and a total of nine (9) full-time positions for the regional offices, to provide oversight and technical assistance.

(c) The Commissioner of Finance and Administration is hereby authorized to reallocate appropriations within the affected state agencies and to reallocate homeland security appropriations among the affected agencies for the purpose of providing the required state match to these and other federal homeland security and bioterrorism grants; to adjust position authorizations among affected departments, offices, and programs for that purpose; and to adjust federal and other departmental revenue estimates accordingly.

Item 37. In addition to the funds appropriated by this act in Section 1, Title III-2, Item 1.3, Office of Homeland Security, there is hereby appropriated an amount not to exceed \$250,000 for the purpose of establishing three additional positions and operational costs. To the extent possible, this appropriation shall be recovered from federal grant programs. The amount allotted from this appropriation shall be subject to approval of the Commissioner of Finance and Administration.

Item 38. From the appropriations in Public Acts of 2002, Chapter 842, and Sections 1 and 4 of this act, sums sufficient are appropriated for state agencies to pay the professional privilege tax levied in Tennessee Code Annotated, Title 67, Chapter 4, Part 17, on behalf of full-time state employees who are subject to the tax, as compensation in addition to such employees' other compensation. This item is subject to authorization of such payments in Tennessee Code Annotated, Title 67, Chapter 4, Part 17, as amended by Senate Bill 1991 / House Bill 2073, if such bill becomes a law.

Item 39. The appropriation in Section 1, Title III-2, Item 5.2, in the 2002 Appropriations Act is hereby transferred to the Miscellaneous Appropriations account. From this appropriation in the Miscellaneous Appropriations account in the general fund an amount not to exceed \$750,000 can be transferred to the Department of General Services, Division of Motor Vehicle Management, to offset the additional cost of administering the DUI Vehicle Confiscation Program. An amount not to exceed \$3,500,000 can be transferred to the Department of General Services, Division of Motor Vehicle Management, to provide additional funding for the purchase of new vehicles,

and such transfer shall be based on the division's financial needs for new vehicle purchases.

Item 40. The appropriation made in Section 1, Title III-2, Item 5.2, in this act is hereby transferred to the Miscellaneous Appropriations account. From this appropriation in the Miscellaneous Appropriations account in the general fund an amount not to exceed \$719,100 can be transferred to the Department of General Services, Division of Motor Vehicle Management, to offset the additional cost of administering the DUI Vehicle Confiscation Program. An amount not to exceed \$3,500,000 can be transferred to the Department of General Services, Division of Motor Vehicle Management, to provide additional funding for the purchase of new vehicles, and such transfer shall be based on the division's financial needs for new vehicle purchases.

Item 41. Subject to the approval of the Commissioner of Finance and Administration any unexpended capital outlay current funds appropriated for benefit of the West Tennessee River Basin Authority may be transferred to the West Tennessee River Basin Authority Maintenance account.

Item 42. Subject to the availability of revenue, there is hereby appropriated a sum sufficient from the Tennessee Judicial Information System Fund established in Tennessee Code Annotated, Section 16-3-807, to the Automated Court System Hardware Replacement Loan Fund established in Tennessee Code Annotated, Section 16-3-1001. This appropriation is subject to approval by the Commissioner of Finance and Administration.

Item 43. Pursuant to the provisions of Tennessee Code Annotated, Section 4-31-108(i)(6), statutory reserve funds in excess of \$3,000,000 shall revert to the general fund.

SECTION 42.

Item 1. Notwithstanding any provision of the law to the contrary, no law of general application which imposes increased expenditure requirements on cities and counties in excess of one million dollars (\$1,000,000.00) shall take effect unless the state share of the cost of such law is specifically appropriated by the provisions of this act.

SECTION 43. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it.

Item 1. It is the legislative intent to recognize a base over-appropriation in the general fund of \$103,200,000 in 2002-2003 and \$104,585,000 in 2003-2004.

Item 2. In the fiscal year ending June 30, 2003, there shall be reserved or designated a sum in the general fund balance to provide for non-recurring appropriations and other appropriations intended to be funded in the 2003-2004 fiscal year from the general fund balance at June 30, 2003. The Commissioner of Finance and Administration shall determine the amount to be reserved or designated.

Item 3. Under the provisions of Tennessee Code Annotated, Section 55-6-107(a), the sum of \$2,900,000 shall be allocated to the general fund for the cost of issuing motor vehicle registration plates in the fiscal year ending June 30, 2004.

Item 4. Unexpended appropriations in an amount to be determined by the Commissioner of Finance and Administration shall be transferred from the debt service fund to the general fund in the fiscal year ending June 30, 2003.

Item 5. In the fiscal year ending June 30, 2003, tax revenues allocated to the debt service fund, including motor vehicle title fees, in excess of \$227,900,000 shall be transferred to the general fund. If said allocation to the debt service fund is less than \$227,900,000, then the allocation of excise tax revenues to the debt service fund shall be increased in an amount to provide the allocation of \$227,900,000 to the debt service fund.

Item 6. In the fiscal year ending June 30, 2003, the allocation of motor vehicle title fees to the debt service fund shall be the lesser of \$2,700,000 or the sum generated by the \$1.50 fee under the provisions of Tennessee Code Annotated, Section 55-6-101(a)(1).

Item 7. From the appropriations made in Section 1, Title III-10 of the 2002 Appropriations Act to the University of Tennessee, to the Tennessee Board of Regents and to other higher education programs the sum of \$41,100,000 shall revert to the general fund balance at June 30, 2003.

Item 8. The provisions of Section 29, Item 16 of the 2002 Appropriations Act (Public Chapter 842) are hereby repealed. It is the legislative intent that the unexpended balance of the appropriation made for Tennessee Student Assistance Awards revert to the general fund balance at June 30, 2003.

Item 9. From the appropriation made in Section 1, Title III-2 of the 2002 Appropriations Act to the Department of General Services, Motor Vehicle Management, any unexpended appropriation shall revert to the general fund balance at June 30, 2003.

Item 10. The reserve for federal contingent liability shall be reduced from \$50,000,000 to zero to meet the requirements of funding the operations of state government for the fiscal year ending June 30, 2003.

Item 11. It is the legislative intent to fulfill the essential function and constitutional responsibility of state government to orderly close fiscal year 2002-2003. Under the provisions of Senate Bill 1991 / House Bill 2073, if such bill becomes a law, the Commissioner of Finance and Administration is authorized to deny carryforwards for and to transfer funds from the following enumerated funds, reserve accounts, or programs to the state general fund for the sole purpose of meeting the requirements of funding state government for the fiscal year ending June 30, 2003, according to the following schedule; and for that purpose such funds hereby are appropriated to the general fund:

(a) From the Department of Transportation funds, in the highway fund or other funds, the sum of \$30,000,000 shall be transferred.

(b) The reserve for revenue fluctuation shall be reduced by \$67,200,000.

(c) From the wetlands acquisition fund, local parks land acquisition fund, state lands acquisition fund, agricultural resources conservation fund, Department of Safety driver education fund and motorcycle education fund, Tennessee Advisory Commission on Intergovernmental Relations reserve, and used oil collection fund, an amount equivalent to a pro-rata share shall be transferred to the general fund for the remaining need to meet the requirements of funding the operations of state government for the fiscal year ending June 30, 2003. Pro-rata shares shall be determined by the Commissioner of Finance and Administration by comparing the uncommitted balances of each such enumerated fund, reserve account, or program with the total remaining need for closing the fiscal year. The uncommitted balances of the wetlands acquisition fund, local parks land acquisition fund, state lands acquisition fund, and agricultural resources conservation fund shall exclude the first ten thousand dollars (\$10,000) in each fund. It being the legislative intent to maintain a balance of not less than ten thousand dollars (\$10,000) in each of the four reserves.

(d) From the other funds, reserve accounts, and programs enumerated in the bill cited in this item above, an amount equivalent to a pro-rata share shall be transferred to the general fund for the remaining need to meet the requirements of funding the operations of state government for the fiscal year ending June 30, 2003. Pro-rata shares shall be determined by the Commissioner of Finance and Administration by comparing the uncommitted balances of each such enumerated fund, reserve account, or program with the total remaining need for closing the fiscal year.

(e) For any remaining requirement for closing at June 30, 2003, the reserve for revenue fluctuation shall be reduced.

Item 12. In the fiscal year ending June 30, 2004, subject to authorization in Senate Bill 1991 / House Bill 2073, if such bill becomes a law, or to authorization in other law, an amount of \$65,800,000 shall be transferred to the general fund from the Department of Transportation funds in the highway fund or other funds.

SECTION 44. There is hereby appropriated a sum sufficient from the State Office Buildings and Support Facilities Revolving Fund to provide for expenditures authorized under Title 9, Chapter 4, Part 9 of the Tennessee Code Annotated. There is appropriated a sum sufficient to the revolving fund in recognition of the lease cost of space for which recovery is not in the state's best interest.

SECTION 45. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it.

Item 1. There is hereby created a Capital Projects Account in the Division of Office of Information Resources for the administration of the Information Systems Capital Projects Budget.

This account is established to provide for:

(a) Implementation of the statewide Management Information Systems Plan;

(b) Ability to separate the operational budget of the Office of Information Resources and the system development projects contained in the MIS Plan; and

(c) Financial control of the system development projects, including equipment replacement for the various agencies of state government.

Item 2. There is hereby authorized the transfer of those sums appropriated for information systems capital projects in Sections 1 and 4 and in Section 36, Item 1 of this act. Federal aid funds and other departmental revenues shall be adjusted accordingly to reflect the transfer of state appropriations.

Item 3. The Commissioner of Finance and Administration is authorized to transfer to the Capital Projects Account any appropriations made in Sections 1 and 4 of this act resulting from operating savings derived from implementation of information systems funded through this section.

Item 4. From the appropriations made for systems development and other data processing activities in this act and other acts of the legislature, the Commissioner of Finance and Administration is authorized to establish and charge the costs of information systems analyst positions and other data processing positions to said appropriations. The Commissioner of Finance and Administration is further authorized to transfer between departments and agencies existing information systems analysts positions, other data processing positions and the funding provided in this act for transferred positions. This appropriation is subject to approval by the Information Systems Council.

Item 5. Expenditure of any funds, subject to the jurisdiction of the Information Systems Council, appropriated for systems development, the purchase of computer software or the purchase of computer hardware shall be subject to the policies of such Council.

Item 6. From the appropriations made for information systems activities in this act and other acts of the legislature, the Commissioner of Finance and Administration is authorized to transfer from professional services to payroll amounts budgeted for contractors. Additionally, the Commissioner of Finance and Administration is authorized to increase authorized positions in order to replace contractors with state employees.

SECTION 46.

Item 1. The revenues allocated under the provisions of Tennessee Code Annotated, Title 55, Chapter 4, Part 2 – Special License Plates, are hereby appropriated in a sum sufficient amount as provided in Part 2.

Item 2. From the motor vehicle registration fees imposed under the provisions of Chapter 459, Public Acts of 1999 there is hereby appropriated a sum sufficient in the fiscal year ending June 30, 2004 to be used solely for the development, acquisition and updating of a computerized titling and registration system. The Commissioner of Finance

and Administration is authorized to allocate the funds to implement the intent of the 1999 act.

SECTION 47. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it.

Item 1. From state revenues and other funds available to the general fund in excess of requirements for the fiscal year ending June 30, 2003, the Commissioner of Finance and Administration shall establish the Revenue Fluctuation Reserve in such amount as may be available under the provisions of Tennessee Code Annotated, Section 9-4-211.

Item 2. From state revenues and other funds available to the general fund in excess of requirements for the fiscal year ending June 30, 2004, the Commissioner of Finance and Administration shall establish the Revenue Fluctuation Reserve in such amount as may be available under the provisions of Tennessee Code Annotated, Section 9-4-211.

SECTION 48. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it.

Item 1. The Commissioner of Finance and Administration is authorized to transfer all federal and state health care funds, except those funds appropriated to support the State Group Insurance Program, the Local Education Insurance Program and the Local Government Health Insurance Program, to the TennCare Program for the purpose of implementing any program approved by waiver, state plan amendment and/or state and federal legislation pursuant to the provisions of health care services to Tennesseans designated as eligible by TennCare. In addition, any premiums collected by the TennCare Program are explicitly authorized to be appropriated to the program for the purpose of carrying out the provisions of TennCare.

The Commissioner of Finance and Administration is further authorized to transfer state funds and positions, as required, between TennCare and Mental Health services; Mental Retardation services; other Health services; Children's Services; and Commerce and Insurance, Division of TennCare Oversight.

Item 2. For fiscal year 2003-2004, in addition to all other appropriations to the TennCare Program, the Commissioner of Finance and Administration is authorized to use certified public expenditures and/or intergovernmental transfers from all government-related TennCare service providers and local governments for the purpose of matching funds under federal law for the TennCare Program. The use of the certified public expenditures and/or intergovernmental transfers shall be in accordance with federal law and regulations.

Item 3. Subject to the availability of funding at June 30, 2003, the Commissioner of Finance and Administration is authorized to carry forward into the fiscal year beginning July 1, 2003 any unexpended balances of appropriations made under Chapter 842, Public Acts of 2002, for TennCare and such funds as are carried forward are hereby reappropriated to be expended in the 2003-2004 fiscal year.

Item 4. Subject to the availability of revenue from intergovernmental transfers, there is hereby appropriated to TennCare a sum sufficient in the fiscal year ending June 30, 2004, for Nursing Facility Disproportionate Share Payments, incentive payments to local governments, an increase in payments to Level I and Level II facilities to the 65th percentile, and to the TennCare Reserve. It is the intent that the Long Term Care Global Budget for fiscal year 2003-2004 be increased for such payments.

Item 5. The Commissioner of Finance and Administration is hereby authorized to expend or lend from the funds appropriated such sums as the Commissioner deems appropriate to assist TennCare HMO(s) in their operations and obtain services from contractors, consultants, and other third parties to give such assistance, such being determined by the General Assembly to be for a public purpose. The commissioner shall provide prompt notification to the Speakers of the Senate and House of Representatives and to the chairs of the Finance, Ways and Means Committees regarding any such expenditure or loan with complete details of the amounts and recipients involved in such transactions.

Item 6. The Commissioner of Finance and Administration and the TennCare Bureau shall provide quarterly reports to the Fiscal Review Committee regarding the expenditures of all base and improvement funds made available by the provisions of this act for the TennCare managed care program. Such reports shall include, but not be limited to, a detailed accounting of the timeliness and amounts of the following types of payments: (1) enhanced payments to providers; (2) essential provider payments; (3) monthly third-party contractor payments; and (4) any expenditures or loans made by the Commissioner of Finance and Administration to or for the benefit of any TennCare MCO to assist in its operations or obtain services from contractors, consultants, and any other third party. Such reports shall also include any other information requested by the chair of the Fiscal Review Committee.

No incentives shall be given to MCOs to join or remain in the TennCare Program until fifteen (15) days written notice detailing the proposed incentives have been provided to the Fiscal Review Committee.

Item 7. Subject to the availability of funds, there is appropriated from the TennCare reserve a sum sufficient to be transferred to the Tennessee Department of Mental Health and Developmental Disabilities for the sole purpose of funding the required match for the SAMHSA "System of Care Grant" for Davidson County for sexually and emotionally disturbed children and youth at risk of or in out-of-home placement and federal funds, departmental revenues and authorized positions may be adjusted accordingly.

Item 8. The Commissioner of Finance and Administration is hereby authorized to adjust revenue estimates and related expenditures in Section 4, Title III-24, related to premiums and drug rebates for the purpose of carrying out the provisions of TennCare.

Item 9. From the funds appropriated in Section 1, Title III-25 to the TennCare Programs and subject to the availability of revenue from intergovernmental transfers, there is hereby allocated, from said revenues, \$1,000,000 in the fiscal year ending June 30, 2004 for the purpose of implementing the Behavioral Unit pilot program as recommended by the State Mental Health Task Force. The pilot program will be limited

to a total of 150 beds for the life of the three year pilot. The Commissioner of Finance and Administration is authorized to adjust federal aid accordingly.

Item 10. The Commissioner of Finance and Administration is authorized to recognize revenue related to the application fee for Medical Eligibility underwriting and to use such funds to offset the cost of administering the TennCare program.

Item 11. The Commissioner of Finance and Administration is authorized to impose service limitations, to reduce optional eligibility categories, mandate standardized reimbursement levels, and/or reduce, or limit, optional benefits in the TennCare program as necessary to control program expenditures in the fiscal year ending June 30, 2003 and June 30, 2004.

SECTION 49.

Item 1. The appropriation made in Section 1, Title III-10, Item 5.2 Geier Desegregation Settlement, is subject to allocation by the Tennessee Higher Education Commission with the approval of the Commissioner of Finance and Administration.

SECTION 50. From the appropriation in Section 1, Title III-11, Item 5, Regulatory Boards, an amount of \$175,000 is earmarked from the Board of Architectural and Engineering Examiners revenues or reserve funds for disbursement to accredited interior design programs, accredited architectural programs and accredited engineering programs of state-funded colleges and universities, after application to and subject to approval by the Board of Architectural and Engineering Examiners. The Board will develop guidelines for application, award and disbursement of the funds appropriated herein.

SECTION 51. The Commissioner of Finance and Administration is authorized to reallocate appropriations for Board of Claims premiums among state agencies and programs, based on the actuarial study provided by the State Treasurer, and to adjust federal and other departmental revenues accordingly. There is further appropriated for this purpose sums sufficient from dedicated and earmarked revenues to provide for the allocation of appropriations to those agencies and programs funded by dedicated and earmarked revenues. The Commissioner of Finance and Administration also shall reduce appropriations from dedicated and earmarked revenues where necessary, to reflect the allocations of the actuarial study.

SECTION 52. The provisions of this section shall take effect upon becoming law, the public welfare requiring it.

Item 1. From the appropriations made for Disaster Relief Grants in this act in Section 1, Title III-21, Item 7, the Commissioner of Finance and Administration is authorized to allocate funds to provide for National Guard costs associated with homeland security purposes.

Item 2. The Commissioner of Finance and Administration is authorized to transfer \$2,000,000 from the Department of State Data Processing Reserve balances available on June 30, 2003 to a general fund reserve sub-account established for the Department of State for the purpose of meeting matching requirements and paying all expenses reasonably attributable to the funding and implementation of the Help America Vote Act. These funds will not revert and shall remain available until expended for these purposes.

SECTION 53. The provisions of this section shall take effect becoming law, the public welfare requiring it.

Item 1. The unexpended balance of the appropriations made in Section 1, Title III-10 of the 2002 Appropriations Act for Geier Desegregation Settlement shall not revert to the general fund at June 30, 2003. From the unexpended appropriations an allocation may be made to the debt service fund for the purpose of canceling a portion of the bond authorization in Chapter 852, Public Acts of 2002.

Item 2. The unexpended balance of the appropriation made in Section 1, Title III-10, Item 5.2 Geier Desegregation Settlement, shall not revert to the general fund at June 30, 2004. From the appropriation an allocation may be made to the debt service fund for purpose of canceling a portion of the bond authorization in Chapter 852, Public Acts of 2002.

SECTION 54. From the funds appropriated in Sections 1 and 4 of this act the Commissioner of Finance and Administration is authorized to reduce said appropriations to reflect rate reductions charged for central services provided by the departments of Finance and Administration, Personnel and General Services.

SECTION 55. In the fiscal year ending June 30, 2003 there is hereby appropriated a sum sufficient to the TennCare program (1) to provide for expenditures in excess of the appropriations made in the 2002 Appropriations Act and (2) to provide funding for the budget neutrality provisions of the TennCare waiver.

SECTION 56. In addition to the appropriations made in Section 1 of this act there is hereby appropriated to the Department of Finance and Administration the sum of \$18,100,000 for capital maintenance and capital outlay which shall be in lieu of ten-year general obligation bonds recommended in the Budget Document.

There is further appropriated to the Department of Finance and Administration the sum of \$9,397,000 for capital maintenance and capital outlay which shall be in lieu of twenty-year general obligation bonds recommended in the Budget Document.

SECTION 57. Other provisions of this act to the contrary notwithstanding, the general assembly recognizes that extraordinary actions by the Commissioner of Finance and Administration may be required to achieve the overappropriation level provided herein, to manage the base budget reductions reflected in this act, and to fulfill the constitutional duty of state government to orderly close fiscal year 2003-2004. It, therefore, is the legislative intent that the Commissioner of Finance and Administration be authorized to defer and reduce expenditures and otherwise effect savings of funds appropriated herein; provided, however, that the authority granted by this section shall be exercised only insofar as permitted by law and in accordance with applicable law.

SECTION 58. The Tennessee Code Commission is requested to place an appropriate, permanent note following the codification of any public act which is codified and which has not received constitutionally required first year's funding through the provisions of this act.

SECTION 59. If any provisions of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of

this act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 60. No expenditure of public funds pursuant to this act shall be made in violation of the provisions of Title VI of the Civil Rights Act of 1964, as codified in 42 United States Code 2000(d).

SECTION 61. This act shall take effect upon becoming a law, the public welfare requiring it; provided, however, that any provision of this act which authorizes prior or immediate expenditures and any section or item which specifies an immediate effective date shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 28, 2003



**JIMMY RAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES**



**JOHN S. WILDER
SPEAKER OF THE SENATE**

APPROVED this 16th day of June 2003



PHIL BREDESEN, GOVERNOR